Daily Report

East Europe

FBIS-EEU-92-225
Friday
20 November 1992

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FBIS-EEU-92-225 *20 November 1992*

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Hungary

Foreign Affairs Spokesman Janos Herman announced that the Danube Commission will set up an "expert committee" to "examine" the Bos power plant's "effects on navigation" on the Danube, MTI reports. The commission also called upon Yugoslavia to "immediately withdraw" a recent decision to impose tolls on the river.

The National Assembly began discussion on a bill that would ban the use of "Nazi symbols, communist symbols, and other emblems and regalia recalling autocratic systems of government," MTI reports.

Poland

PAP reports that IMF negotiator Mark Allen expressed optimism that the IMF will end its suspension of an earlier agreement to provide Poland with 2.5 billion dollars in credit. Allen suggested that a "stand-by arrangement" should be reached soon, although "the funds which Poland is to receive are likely to be less" than in the original agreement.

An extraordinary committee of the Sejm agreed to forward a draft law outlawing abortion to the floor of the Sejm, PAP reports. The draft law calls for a maximum "two-year sentence for both physicians and women" who terminate a pregnancy, with an exception being made in "particularly justified cases."

Bulgaria

Sofia radio reports that Filip Dimitrov presented his government program to the National Assembly today. In it he describes the economic conditions in Bulgaria and events that led to the cabinet crisis. He points out that the crisis was accompanied by "antinational actions" that affected Bulgaria's prestige. This "naturally disrupted the stability of our country in the eyes of the world," Dimitrov states. He further describes the "grave" responsibility of the cabinet that will be elected, and says that the Assembly members must decide whether this responsibility should again be assumed by the SDS. "We assume this responsibility, and realize that this may not be the best political decision for the SDS, but we assume the responsibility because we are convinced that this is probably the best solution for Bulgaria."

Czechoslovakia

CSTK reports that the Czech parliament passed a resolution today, which together with the Czech Government, assumes "responsibility for the continuity of state power on the territory of the Czech Republic." In doing so, the parliament "attempts to ensure a peaceful transition up to the existence of an independent Czech state starting January 1, 1993." According to Miloslav Vyborny, chairman of the Christian Democratic Union-Czechoslovak People's Party parliamentary group, "the resolution was proposed in response to Wednesday's failure of the federal parliament to pass a bill on the termination of the Czechoslovak Federation."

Zhulali, Turkish Minister Ayaz Discuss Relations

AU1811181292 Tirana Radio Tirana Network in Albanian 1430 GMT 18 Nov 92

[Passages within quotation marks recorded]

[Text] [Announcer] Turkish Defense Minister Nevzat Ayaz arrived in Albania today for a two-day working visit. During his stay, he will meet with his counterpart Zhulali, President Berisha, Prime Minister Aleksander Meksi, etc.

In an interview with Radio Tirana, Mr. Ayaz said that this visit is made in the framework of the very close relations existing between Albania and Turkey in the field of defense.

In continuation, we invite you to follow the report of our correspondent Franko Egro:

In an interview given to reporters at Rinas Airport, where he was expecting his Turkish counterpart, Albanian Defense Minister Safet Zhulali said that this visit, the first of such a high-military level, is a clear expression of the fact that the Albanian-Turkish relations in the field of defense are very close. They will sign another agreement on both armies tomorrow.

When asked about the content of this agreement, Minister Zhulali answered: "This agreement will be a supplement to the one signed in Turkey on technical and scientific cooperation and the further assistance that Turkey will grant to Albania in the field of military training and technical, scientific, and cultural cooperation, also anticipated in the first agreement."

When asked about what place the extremely tense situation in the Balkan Peninsula will occupy in their bilateral talks, Mr. Zhulali answered: "Of course, we will discuss this problem and express our opinions. Turkey is very committed to regional problems and is rendering a positive contribution to achieve stability in the region. I think that this visit, too, will help to solve this problem."

When asked about what position Turkey will maintain in case of a possible expansion of the conflict in the south of former Yugoslavia, Turkish Defense Minister Nevzat Ayaz answered: [Ayaz, in Turkish with superimposed Albanian translation] "We have always taken initiatives through all the international states and institutions to end the bloodshed in the former Yugoslavia. Unfortunately, the decisions and resolutions approved by the United Nations and the Council of Europe have not been fully implemented so far. For its part, Turkey supports taking vigorous measures, always relying on the decisions taken by international institutions. The situation in the Balkans will become even more tragic if fighting spreads to Kosovo and Macedonia. We have made our warnings on this issue. I stress that in case such a phenomenon cannot be avoided, this will cause the explosion of a new Balkan war. In the talks we held with our European colleagues, we observed that they positively responded to our warnings of a possible explosion of conflict in Kosovo. Indeed, they consider that they have delayed too long in taking preventive measures."

Military Cooperation Agreement Signed

AU1911202492 Tirana Radio Tirana Network in Albanian 1830 GMT 19 Nov 92

[Text] Turkish Defense Minister Nevzat Ayaz ended the official talks with his Albanian counterpart Safet Zhulali by singing a cooperation agreement. Our reporter Franko Egro will tell you about this agreement:

The Albanian-Turkish relations in the military field know only one direction of movement, that toward strengthening and perfection. They are not at all conjectural, but friendly and traditional; that is what Albanian Defense Minister Zhulali said while signing a cooperation agreement. On the basis of this agreement, a large number of Albanian students will be educated in Turkish military schools. Closer cooperation in the field of military industry is also anticipated.

Meanwhile, Major General Agim Baruti, deputy chief of the Albanian Army General Staff, and Lieutenant General Orhan Genceler, member of the Turkish delegation, signed another agreement. This agreement anticipates establishing closer cooperation in the scientific and information field and qualification of Albanian cadres in the Turkish military academies, as well as organizing joint military training exercises.

This morning Turkish Defense Minister Nevzat Ayaz held talks with the People's Assembly Presidency Chairman Pjeter Arbnori. In this meeting they discussed the internal situation in both countries and the situation in the Balkan Peninsula.

Dimitrov Submits Government Program

AU2011084492 Sofia Khorizont Radio Network in Bulgarian 0736 GMT 20 Nov 92

[Statement by Prime Minister-designate Filip Dimitrov to National Assembly session in Sofia—live]

[Text] Esteemed Mr. Chairman, Esteemed Mr. President, and Esteemed Ladies and Gentlemen, National Assembly Deputies: Approximately two and a half months ago, Bulgaria seemed to be the country that justified the greatest hopes compared with all other East European countries that had recently rejected communism.

The problems resulting from the economic crisis, destruction of institutions, and great moral damages caused by the totalitarian regime, affecting Bulgaria, were the same as those affecting all other countries belonging to the communist system.

Nevertheless, Bulgaria, embarking upon the path of democratic development, managed to find some solutions that were approved by the whole civilized world and evoked serious hopes about the success of the democratic changes in our country.

In the first place, Bulgaria succeeded in promoting its progress along the path of democracy within the framework of existing institutions that were preserved, and on the basis of a serious and convincing legality.

Naturally, numerous breaches of law were committed and are still being committed, but the legally elected institutions in this country managed to cope with them. Solutions were also found for problems, which in other countries led to more than dangerous ethnic conflicts, which then led to clashes and tragic events.

Last, but not least, a path of economic reform was found in Bulgaria which, in spite of involving great difficulties for our whole society and for all citizens, difficulties, inevitably stemming from the grave condition of the Bulgarian economy inherited from the recent past, created the opportunity and evoked expectations for a favorable development in the near future.

All these circumstances, though questioned by some people in Bulgaria and rejected by certain political leaders, other public figures, and representatives of the so-called independent print media, were recognized and appreciated outside the country. This recognition can be considered as serious proof that our development is correct. It stems from the fact that in the final analysis, the picture of real development and actual changes can be more easily understood by the public abroad, by people who are not burdened by the difficulties and pains of daily efforts in the conditions of crisis.

All of this was questioned two and a half months ago and inevitably led to the government crisis that we all witnessed.

Standing before you today, at the proposal of the president of the republic and on the basis of the mandate that was entrusted to me by the Parliamentary Group of the Union of Democratic Forces, I, as a representative of this political force, feel obliged to point out a few essential elements of what I consider the program of a possible future government.

As is well known, the SDS accepted the fact that a future SDS minority government or a coaliton government with other partners should continue to implement the economic reform that was drafted on several occasions by the SDS, which found its expression in the SDS election program, and in the declaration on the former government's intentions, and which, last but not least, earned the support of international institutions.

It is also a well-known fact that our particular policy of change evoked criticism, especially regarding the insufficient speed of the reform or its insufficient social protection measures. I use the expression "or," although this "or" was sometimes interpreted as "and" because there are some people who complained about the reform being too slow and not envisaging sufficient social protection measures. It is unnecessary to point out how preposterous such complaints are because it is evident that a drastic pace of the reform is also likely to evoke more severe effects upon the lives of Bulgarian citizens as a whole.

Nevertheless, despite the criticism against one or another thing, the government promoted this line of change in a more or less effective way, certainly with numerous compromises and presumably with numerous mistakes. It is an interesting fact that in examining the possbility of forming a partnership cabinet with the Rights and Freedoms Movement [DPS]—a political organization that on several occasions advertised its adherence to a government policy involving greater social welfare measures—the SDS found to its satisfaction that the program for the future goals and activities of the government, despite the criticism expressed in several print media, showed that there are practically no differences between the concepts of the SDS and that of the DPS regarding actual implementation of the future cabinet's goals and methods.

This circumstance proves the unrealistic nature of the allegations about the SDS neglecting social welfare policy. This thesis which could be developed for several political reasons cannot be supported. It is evident that neither the former government or the one that is going to rule Bulgaria in the near future, whatever government it may be, or even a possible government in a more distant future, could never make all citizens of our country perfectly happy. Unfortunately, a government in the near future would not be able even to satisfy some of our population's basic needs in a wider scope. Nevertheless, there is nothing more natural than the fact that no one in this country dares to deny that Bulgaria is involved in a crisis. Evidently, the crisis is a painful state of affairs. The drafting, or rather the adoption of the SDS positions

in formulating priority goals and future actions of a forthcoming government, proved that within the framework of existing possibilities, circumstances permitting, the SDS has been ready, is ready, and will be ready to do everything possible to soften the most severe blows affecting the population.

Yes, because I hear some voices saying: When?—I would like to add that the SDS government has done so throughout its term of office.

Unfortunately, we cannot rule this country with rosy dreams, and if I say we, I do not mean only the SDS, but all of us, all those who have declared their readiness to assume responsibilities for Bulgaria.

If you examine the priority goals of the government's future activities, you will see that the future actions intended by the SDS government are structured along several lines. These lines are naturally connected with a group of general issues, such as law and order, legality, national security, and others. They are naturally related to foreign policy, the group of questions concerning regional development and the ensuing problems, ecological issues, and the large group of questions concerning economic and financial policy, social welfare policy as well, and all intellectual dimensions of the government's future policy.

It is hardly necessary for me to describe this text that is available to all of you. I would like to urge you to pay greater attention to the addenda of the text, which point out the practical nature of the intentions that a future government would implement.

These addenda describe the expectations of a future government related to your legislative activities, as well as actions directly stemming from legislation, such as addenda related to investment policy, macro-economic framework of the state budget, and intended solutions, such as the expanded financial agreement that should guarantee the feasibility of our intentions. Evidently, the draft on expanded financial agreement, which was submitted to you, could be signed and formulated in another manner.

As a matter of fact, the last two and a half months, whatever may be said, have inflicted serious damage to Bulgaria. Of course, the government's activities were delayed all throughout these two and a half months. It is natural that under the circumstances of a government crisis, the majority of painful decisions that a government should have adopted could not be adopted.

It is sufficient to point out the case of the exceptionally crucial problem of the Bulgarian power supply system and the problem of increasing electric power supply and thermo-power supply prices. It is sufficient to point out issues, such as the problem of paying back the "bad" debts, whose solution was seriously delayed.

It is an even more serious problem that over the aforementioned two and a half months, the country's prestige was gravely affected because the government crisis was accompanied by numerous antinational actions, aimed not only and not solely against the prestige of the Bulgarian Government, but against the prestige of the Bulgarian state as a whole.

It is unnecessary to mention that negotiations on the solution of the foreign debt were delayed. It is also unnecessary to mention that this is hardly the most advantageous form under which to conduct negotiations on the association with the European communities. Moreover, I would like to stress that the crisis that was provoked over those two and a half months in Bulgaria had another dangerous effect. Considering that we are discussing the question of a future government today, I think that everyone in this country should know under what circumstances we are assuming this responsibility.

You all know that, in view of the implementation of the requirements imposed on Bulgaria by the International Monetary Fund and the World Bank, the question of an early signing of the expanded financial agreement with the Fund and the ensuring agreement with the World Bank was seriously discussed, and also the effect that such agreements would have exerted on Bulgaria's development should be considered. I cannot fail to point out to you that the aforementioned two and a half months naturally disrupted the stability of our country in the eyes of the world, and of course, this does not merely affect the value of the dollar exchange rate, but also affects the value of our commitments and the value of our advertised intentions may be confronted with a different pattern of achieving the aforementioned agreement.

All these circumstances will once more affect the Bulgarian people and the voters who will be obliged to bear their consequences. As a result of all these dramatic events that occurred within the recent two and a half months, as I already said, the procedure that the future government, especially an SDS government, is facing, namely the procedure connected with the problem of paying back our foreign debts, was delayed and will become even more painful. I have repeatedly stated this to you, and I am repeating it today, on the eve of your vote. Paying back debts is likely to be a painful procedure. This painful procedure will take place under circumstances where many ghosts will be taken out of the bottle—they were taken because certain forces in Bulgaria decided to provoke a small government crisis. Under the circumstances of this crisis, it was natural for the ghosts to spring out of the bottle and you can see the result of this as it appeared yesterday and is appearing today. Nevertheless, the painful steps will have to be accomplished. If you should vote for me as prime minister and for the SDS government, you must realize that you are voting for the assumption of the aforementioned responsibilities. These responsibilities will be heavy, but it is our profound conviction that if they are not assumed today, the chance of assuming them some time in the future is minimal. [applause]

This is why you are confronted with the question of deciding. Do you want, or do you not want that the responsibility for Bulgaria's government at this very moment should be once more taken over by the SDS? Naturally, we shall all draw our conclusions from your wish.

If you should decide to entrust us with this responsibility, we shall accept it in the awareness that we are assuming a painful task that is likely to be subject to considerable criticism from all sides. This is a task that numerous politicians and political forces would refuse to accept at this moment. The SDS, however, assumed this responsibility once, even at a time when it could not fully guarantee the direction of our movement. It assumed this task a second time in all its seriousness, when it engaged in the task of devoting all its efforts to change this country. The SDS is ready to assume this task today under aggravated circumstances, which the president also mentioned, and which evidently do not encourage many people to share this responsibility. We assume this responsibility and realize that this may not be the best political decision for the SDS, but we assume the responsibility because we are convinced that this is probably the best solution for Bulgaria. Thank you!

Government Denies UN Sanction Breached

AU1911161092 Sofia BTA in English 1529 GMT 19 Nov 92

[Excerpt] Sofia, November 19 (BTA)—All insinuations that Bulgaria is busting UN sanctions against Serbia and Montenegro are groundless, Nadezhda Mikhaylova, spokesperson for the outgoing cabinet, told the press during today's Council of Ministers' meeting. The spokesperson declared the government's readiness to observe the UN Security Council Resolution 787 on tougher sanctions. At the same time, all ministries will be collecting and regularly offering information on losses sustained by them due to the embargo. The information will serve as a basis for making claims for compensations to the UN. A report is being prepared on Bulgaria's losses so far. The government is seeking ways to preserve contacts with Macedonia despite the embargo against Serbia, the spokesperson, Ms. Mikhaylova said. [passage omitted]

Zhelev, Dimitrov Receive EC Delegation

AU1611170892 Sofia BTA in English 1520 GMT 16 Nov 92

[Excerpts] Sofia, November 16 (BTA)—Bulgarian President Zhelyu Zhelev received today representatives of the Commission of the European Community—Mr. Daniel Guggenbuhl, chief EC negotiator on Bulgaria's association, Mr. Pablo de Benairdes, director at the EC Commission, and Mr. Michael Leigh, personal adviser to the vice president of the Commission, Mr. Frans Andriessen. [passage omitted]

The European Commission's delegation was also received by Prime Minister Filip Dimitrov. Deputy Prime Minister Ilko Eskenazi, who attended the talks, told the press that the sides had discussed the three contentious issues of Bulgaria's association with the EC—the export of textiles and metals and the origin of goods.

According to Mr. Eskenazi, the last, seventh round of negotiations in early December will reveal the truth about Bulgaria's association with the EC.

The guests expressed their support for the reforms in this country and praised the government's efforts for Bulgaria's association with the EC. Mr. Eskenazi believes that this country should be granted more favourable business terms under the association agreement.

Meciar Comments on Failure of Law on Breakup

LD1911191492 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 19 Nov 92

[Interview with Slovak Prime Minister Vladmir Meciar by correspondent Zuzana Stukovska on 19 November; place not given—recorded]

[Text] [Stukovska] What would happen if the Federal Assembly deputies do not pass the law on ending the Federation on 24 November?

[Meciar] The vote in the parliament was blocked this time by the Chamber of Nations, specifically its Slovak part. Deputies for the Democratic Left Party [SDL] and the Christian Democratic Movement [KDH] voted against it; deputies for Hungarian political parties abstained; and the Social Democratic Party [SDSS] did not have all of its members in the parliament. Thus, the law was not passed.

Let us look at what this means. On the one hand, the SDL stand, I think, is motivated by the effort to get into the Socialist International; thus, the need to respect the Socialist International's view on the method of ending the Federation. On the other hand, by defining that which they are against, they do not define what they support. If they support Deputy Fisera's proposal, then we want to know what the proposal contains.

Mr. Roman Kovac held talks at which he demanded an explanation of what the federation should be like if it remained in existence. We have received a clear answer: one parliament, one government, centralization of economic activities, and no national or republic governments. This view of the Social Democrats is basically identical with the Civic Democratic Party's view. Slovakia would have to abandon all her ambitions. I do not know whether the SDL and KDH are aware of the fact that they play into the hands of this view by voting in this way. It means suppression of national identity, suppression of national statehood, and suppression of national economic interests. The words do not agree with the deeds of these parties.

It is also unpleasant because, when ending the Federation or when adopting this bill, a rule was to be adopted simultaneously to allow the two republics to conclude interstate treaties. Thus, the network of relations could take various forms. We have come out with a model. This model has been negated because it cannot be implemented. It has disappeared, and nothing has been created in its place. It is clear that the parliament will not draft the budget. It is clear that the parliament, by using more time, deprives the National Councils of time for positive construction of further developments for 1993.

I knew that the voting would end up like this. When I asked our Slovak political parties who would bear the responsibility, whether they would like to be responsible for the further development of the situation in Slovakia, their answer was no. They said that it was a matter for the government. This is what I was told by Christian Democrats and by Social Democrats. Their view is that, the worse the situation is, the better it is for them. But who will pay for it? This is a hazardous game. It is a hazard for the fate of people in Slovakia.

We could also accept the right of citizens to voice their view in a referendum. After all, the proposal submitted by the Social Democrats stipulates that, with the exception of the provisions it contains, in force are the analogical provisions of the old law. The objective of the old law was to inflict punishment on the one who wants to hold a referendum and who wants to vote for the end of the federation. This means that the one who does so is automatically excluded from being a successor to assets.

Today, when we have already agreed on succession to assets so that both sides are able to preserve with honor their economic interests, then even this achievement is in jeopardy. If the Czech National Council takes unilateral steps, the Slovak National Council will have to join in. We shall have to try to coordinate the process on a level different from that of the Federal Assembly. I regret this. It is unnecessary, but political parties bear responsibility both for the state and for themselves. A hypocritical policy, favorable deeds, kind or fancy words addressed to the population, and unsound everyday practices form an image for everyone about the behavior of particular people after the elections.

[Stukovska] In this regard, would it not be easier to take the path of talks with the opposition, with the opposition parties?

[Meciar] Talks with all parliamentary parties, even with those represented in the National Councils, did take place after Mr. Dubcek's funeral in Bratislava. All of them were there with the exception of the Moravian party. The talks did take place, and the issue has not been kept in isolation. Talks were continued in the Federal Assembly, where personal and social aspects are intertwined. But the deputies from the Movement for a Democratic Slovakia are very courageously maintaining their stance.

Talks with the chairmen of the political parties in the Slovak National Council will take place today. If we want the bill to go through the parliament, we will discuss the establishment of the second chamber in the Slovak National Council at these talks. The sum total of losses exceeds the costs related to the work of this chamber.

Parliament To Assume Power Following Breakup

LD2011121192 Prague CSTK in English 2128 GMT 19 Nov 92

[Text] Prague, Nov 19 (CSTK)—The Czech National Council (parliament) today passed a resolution, in which it assumes, together with the Czech Government, responsibility for the continuity of state power on the territory of the Czech Republic.

In the resolution, the parliament says it takes over responsibility for securing the legitimate interests and needs of the republic's citizens. The parliament in so doing attempts to ensure a peaceful transition up to the existence of an independent Czech state starting January 1, 1993.

According to Miloslav Vyborny, chair of the Christian Democratic Union-Czechoslovak People's Party (KDU-CSL) parliamentary group, the resolution has been proposed in response to Wednesday's failure of the federal parliament to pass a bill on the termination of the Czechoslovak Federation.

Czech parliament Vice Chair Jan Kasal (KDU-CSL) said in the debate on the resolution that after the rejection of the bill on Czechoslovakia's split by federal legislators, the Czech parliament has nothing left but to take responsibility in its own hands.

The resolution was presented by coalition deputies from the Civic Democratic Party (ODS), Christian Democratic Party (KDS), Civic Democratic Alliance (ODA) and KDU-CSL.

Strasky Comments on Current Issues

AU1911211592 Prague RESPEKT in Czech No. 46 16-22 Nov 92 p 9

[Interview with Federal Prime Minister Jan Strasky by Vladimir Mlynar and Ivan Lamper in Prague; date not given: "I Do Not Have Time for Sentiment"]

[Excerpt] [passage omitted] [RESPEKT] Mr. Prime Minister, how, in fact, does your cabinet function today? It was recently revealed that Minister Moravcik informed only Vladimir Meciar of an important EC demarche on Gabcikovo. The Federal Government, of which Mr. Moravcik is a member, found out about the EC's stance from the press. Have you drawn any conclusions from this?

[Strasky] The government today is as federal as the CSFR. As a rule, five members pursue Slovak interests and five members pursue Czech interests. I am a realist and, therefore, do not reproach the Slovak ministers—even Mr. Moravcik—if they first hold consultations in Bratislava. I am more bothered when we are unable to come to any decision on certain issues. The incident you referred to is, of course, one where I am unable to tell whether it was intentional or whether it involved incompetence on the part of the ministerial apparatus. In any case, since then, I have assumed better control over the input on Gabcikovo.

Responsibility Is My Fate

[RESPEKT] Why did you even accept the post of federal prime minister? Surely you knew it would somehow turn out this way?

[Strasky] Such questions are answered as follows: Someone had to accept it, but this is not an answer. The truth is, I was persuaded by a number of people that I would be capable of handling such a government. So, in short, I accepted the post. Perhaps, it was my fate or, perhaps, there is some connection with the fact that I consider responsibility to be one of the most important qualities in politics.

[RESPEKT] As the head of a government preparing the state's breakup, you have had to make several problematic decisions in the interest of harmony—for example, Gabcikovo or the case of the Trnava University rector. What are your sentiments about all of this?

[Strasky] There is not much time for sentiment and, at the moment, my sentiments are not what count. Seeking compromises is what counts. You have cited two examples. I was criticized over the Trnava University issue, but I do not view it as a matter for criticism. I did not recall the rector, I merely looked at the facts and stated that he was formally appointed at variance with the letter of the law. On the basis of the information I was given, this course of action seems logical. Naturally, I am now keeping an eye on how the situation is developing, a situation that has additional dimensions.

Gabcikovo is a different matter and—at least, as far as I am concerned—it is difficult to reach a decision on it. From the domestic political point of view, we all feel it is Slovakia's affair. This state and the Federal Government can no longer help the Slovaks deal with the consequences that this or that decision will have for it. If Slovakia is losing 5 million korunas per day on unproduced electricity, then I, as the representative of a government that will cease to exist on New Year's Eve, have no moral right to tell them that they must draw this or that conclusion from this situation.

At the same time, however, I am aware of a certain responsibility toward other countries—especially Hungary—because the Federation still exists. Therefore, I am trying to make Bratislava politicians realize that very soon no one will quash their problems for them. That is, I am striving for a domestic political transfer of responsibility to Slovakia.

A Collective Instinct for Self-Preservation

[RESPEKT] You said there is no time for sentiment. However, you are in a position in which a sentence may be written about you in the history books that you were the prime minister of the last Czechoslovak Government. Do you not sometimes have doubts about the task you have taken on?

[Strasky] Every person experiences a moment when he realizes there is only one way. For me this was the second round of the Civic Democratic Party-Movement For a Democratic Slovakia [ODS-HZDS] talks when Mr. Meciar made the comprehensive and logical statement that he considers it his mission to lead Slovakia as a state-forming nation and not as a regional nation that will be swallowed up by a united Europe. I realized it was impossible to force Slovakia into something other than it

had voted for in the elections. In the final analysis, during the past three years alone, several teams of Slovak political representatives have come and gone, and they have all said more or less the same thing. They all—including those who assumed office right after November 1989—started to immediately reflect on the constitutional and legal arrangement. This proceeds from their need to be different. The Slovaks simply have to experience their own state. The state's breakup is historically necessary. This realization was—and is—clear-cut to me.

Of course, as soon as you become aware of the specific dimensions of the issue—for example, will there be customs points or not?—certain doubts always manifest themselves. However, I always give a general response to them—there is no point in crying over a twig when we have already decided to cut down the forest.

[RESPEKT] What do you think the chances are for friendly relations between the Slovak and Czech Republics after 1 January?

[Strasky] First of all, it is necessary to answer the question on the extent to which Klaus' economic reform has tarnished the current Slovak political team and to what extent this is the case just because it comes from Prague. Perhaps, it will become apparent—if we believe the world has a singular logic—that Slovak policy, including its economic policy, is closer to Czech policy than the HZDS promised prior to the elections. A certain instinct for self-preservation is, after all, a trait peculiar to larger collectives and not just to individuals. It is easy for Bratislava to formulate policy when it can decide what it wants, say what it wants, and have Prague with a federal budget and the Czechoslovak Army behind it. In short, Slovakia is still experimenting hurriedly and politically. Perhaps it will behave a little differently in the future, not only economically, but also in other political issues. I am not worried about greater points of friction that would, in the short term, cause a breach of harmony or peace.

A Civil Servant Against His Will

[RESPEKT] The Czech State will evolve on 1 January 1993. How do you feel about the fact that it still does not have a name or a constitution?

[Strasky] Perhaps, I do not have sufficient feeling for these things, but I think this is a minor detail that can be rectified. The Czech State has its own traditions as a specific entity and it will certainly find a name. This will not cause the same problems as the name for the Czechoslovak Federation. We started late with the constitution—when we realized there is no alternative to separation.

[RESPEKT] To put it simply, sometimes it seems that a clear concept for reforms in the economic sphere is not accompanied in our country by an equally clear concept for changes in the social sphere. Bureaucracy is the same as before, the state administration is breaking down, and the minister responsible is issuing warnings about the complete collapse of the judicial system. In your opinion, what can be done about this?

[Strasky] You are touching on issues that are very close to my heart. I have been a civil servant—even against my will—my whole life. In my government posts, I have acquired a completely new perspective on the incompetence of our bureaucracy. For example, I am now trying to make sure that a new minor border crossing point is opened. You have no idea how difficult it is for someone who has the authority of a president, prime minister, and foreign trade minister to have to deal with such trivialities. The colossal machinery of bureaucracy will always find a reason why it still does not work.

I agree that the establishment of a state—that means, quality state bureaucracy—does not just have a purely economic dimension. In my opinion, it is necessary to first and foremost create a truly coherent structure for state administration and self-administration. The current situation, in which the self-administration and state administration tiers do not correspond to each other, is nonfunctional. It is also necessary to deal with the issue of tenure—that means motivation—for a civil servant, whom the state can never pay as much as the private sector. It is necessary to create a model for the civil servant, that is, an average, but loyal and reliable citizen. Above-average people will always be somewhere else. Only then is it possible to instigate modern management theories in the state administration.

Of course, what I am saying does not mean that I have prepared a concept for reforming the state administration. However, this is an issue that I would like to deal with in the future.

[RESPEKT] Prime Minister Klaus said at the ODS congress that he is counting on your presence in the Czech Government after the New Year. Will you accept his offer?

[Strasky] You know what Mr. Klaus said, and I know nothing more about it; so, I cannot give a definitive answer to your question. I have already said that, apart from the economy, I am interested in the state administration. If the offer from the Czech Government were not to fit in with these interests, I would probably not accept it.

Havel to the Castle

[RESPEKT] Your name cropped up recently in connection with the Czech presidency. Can you imagine a situation in which you would be willing to campaign for this office?

[Strasky] No one has discussed this issue with me, and this report has no real basis. I am convinced that, at the moment, Vaclav Havel is the best candidate; he is an integrative figure in Czech politics and support for him is enshrined in the ODS program. Of course, I do not know what the situation will be like in 10 years, but at the moment let me

make it absolutely clear that I would not accept the nomination for the office of Czech president.

[RESPEKT] What if Vaclav Havel were not to run for the presidency?

[Strasky] You are forcing me to speculate on who is better than I am. Moreover, Mr. Havel is—presumably—going to run. There is no point in discussing this further.

[RESPEKT] What do you expect from Czech President Vaclav Havel? In your opinion, in what way does he enhance current policy?

[Strasky] The Civic Democratic Party has a very pragmatic program and its chairman has a very discerning economic philosophy. I think it is propitious that the other important figure in Czech politics, Vaclav Havel, represents a different dimension. He will bring a broader perspective and other issues into politics that will improve the general climate in society. Havel is known and recognized for this throughout the world. From this point of view, I consider the Klaus-Havel duo to be the correct political symbiosis for the birth of the Czech state.

Paying the Account of the Past

[RESPEKT] Miroslav Macek, Jiri Kovar, and Petr Havlik were not reelected to the party leadership at the ODS congress. In your opinion, why did the congress reject these people? Are there any differences among the reasons why they were not reelected?

[Strasky] There are differences among them, even substantial ones. Petr Havlik was, obviously, not elected because for two years he was the ODS' organizational "lightning rod." And this is a thankless role. Moreover, there was confusion at the congress about the new articles. The post of executive deputy chairman should be associated with certain political rights and, at the same time, should incorporate all kinds of organizational responsibility for running the party, including its local structures. Only an angel could perform such precisely defined duties over a long period. I realized this myself when it was suggested that I become executive deputy chairman. The vote was not about Petr Havlik, the vote was about whether Petr Havlik should be the number two in the party and, at the same time, manage the whole party. Congress viewed this as something it could not allow to happen. In my opinion, the result is a palpable blow for the ODS and those who made this decision did not realize what they were doing.

As far as Messrs. Macek and Kovar are concerned, I do not know much more than I read in the press. The congress adopted a point of view that corresponds to public opinion within the party. In my opinion, it demonstrated a greater flair for assessing the situation than the overburdened Executive Council.

[RESPEKT] Among other things, the congress also committed ODS ministers and deputies to pushing for the legalization of the third resistance. Vaclav Klaus voted against this resolution. What is your view of this as a former member of the Communist Party?

[Strasky] Because I was a member of the Communist Party of Czechoslovakia (during the years 1964-69), I think it is our duty to settle accounts with the past and, if the ODS wants to play a key role on the right wing of the political spectrum, it has to know how to confront this issue. Therefore, I also voted in favor of this resolution.

I held talks with representatives from the third resistance recently. These people do not expect hundreds of thousands of korunas in compensation, but—first and foremost—a moral purge. They know that the period prior to 1968 is one thing and that the period after it is another. This is not an economic issue, but a political and moral issue.

Finance Minister Reviews Economic Situation

LD2011093392 Prague Federal 1 Television Network in Czech 1830 GMT 18 Nov 92

[Text] This year's economic development of the Czech Republic has been marked by gradual stabilization and adaptation of manufacturing enterprises to new market conditions. This is what the Czech Finance Minister Ivan Kocarnik said in Prague. Minister Kocarnik estimates that next year's real economic growth will be 1-3 percent. But it is envisaged that in 1993, as a consequence of the division of the Federation, mutual trade turnover between the Czech Republic and the Slovak Republic will be reduced by 10 percent. Economic recession in advanced countries will have a negative impact, too.

According to Ivan Kocarnik, it will make conditions for exports of Czech goods tougher. As the minister went on to say, the increase of the unemployment rate from the current 2.5 percent to 5 percent should be also envisaged next year, especially as a result of bankruptcies. The introduction of a new tax system will result in a 5-6 percent price increase and the overall annual rate of inflation should fluctuate between 15-17 percent in 1993.

EC Imposes Tariffs on Czechoslovak Steel

AU1911132792 Prague CSTK in English 2242 GMT 17 Nov 92

[Text] Brussels, Nov 17 (CSTK correspondent)—Antidumping tariffs of 30.4 percent imposed by the European Community (EC) on certain types of seamless pipes from Czechoslovakia affect the Valcovna Trub Steelworks in Chomutov, the Nova Hut Works in Ostrava, and the Podbrezova and Vitkovicke Works, which shipped their pipes through the Prague-based Ferromet.

The tariff, which took effect November 15, is for the time being limited to four months, but as the Czechoslovak mission to the EC informed CSTK today, it could eventually be extended for up to five years.

The tariff was put in place after complaints in April by Germany, France, Spain and Italy that steel imports from Czechoslovakia, Poland, Hungary and the former Yugoslavia were flooding their markets and undercutting domestic production.

The EC commission took up the complaint and published its decision to impose tariffs in its bulletin on November 14. A further round of negotiations aimed at resolving the dispute will take place at the beginning of December.

Defense Treaty Reduces Czech Army Strength

AU1911125992 Prague LIDOVE NOVINY in Czech 17 Nov 92 p 2

[Report by "rk": "Small, But Our Own"]

[Text] Prague—The treaty between the Czech Republic and the Slovak Republic in the sphere of defense, which was adopted by the National Governments in Zidlochovice last week, states that both republics assume the obligations arising from the Treaty on Conventional Armed Forces. This means, among other things, that—in three stages to be completed by 13 November 1995—the Czech Republic will reduce the strength of its Army to 93,333 men, 957 tanks, and 1,367 combat vehicles (of these, 956 will be infantry transport vehicles). There should be 230 fixed-wing aircraft, and the Czech Army will also have 50 combat helicopters at its disposal. According to the text of the treaty, the Czech Republic will assume the obligations of the CSFR relating to the activity of Czechoslovak Army soldiers in the UN peacekeeping corps.

Unprecedented Reduction in Slovak Arms Production

LD1911155892 Prague CSTK in English 1341 GMT 19 Nov 92

[Text] Bratislava, Nov 19 (CSTK)—Slovakia's arms production cannot be restored immediately, not even to the half of its original extent, Martin Juraj Kovacik, a federal parliament deputy and a representative of the arms producing plant in Martin, Central Slovakia, told a press conference of the Democratic Left Party (SDL) deputies' group today.

Responding to recent reports about the planned restoration of the arms production in Slovakia after Czechoslovakia's expected split in January, Kovacik said that only about 5,100 people are now employed in Slovakia's arms industry, which is only 15 per cent of their number in 1988.

Kovacik said that due to hasty, inconsiderate and politically oriented statements by former Czechoslovak president Vaclav Havel in 1989 and to the Federal Government's decision one year later to transform the arms production into civilian one caused loss of markets and such reduction of the arms production that is unprecedented in the world.

According to Kovacik, this year's arms production in the country is estimated at 2,200 million crowns (about 80 million USD [U.S. dollars]), while in 1988 it was 19,300 million crowns (about 670 million USD). He said that not even leading arms industry experts from the United States agreed with the speed of the industry's transformation and its course in Czechoslovakia.

He asked whether it is correct that Slovakia should bear the historic burden of the arms production all by itself after Czechoslovakia's possible split. About 80 per cent of Czechoslovakia's arms production is concentrated in Slovakia.

Danube Commission Passes Resolution on Bos Issue

AU2011111092 Budapest MTI in English 1323 GMT 17 Nov 92

[Text] Budapest, 17 Nov (MTI)—Effects of the Gabcikovo plant on Danube navigation, the implementation of the UN Security Council sanctions against Serbia and Montenegro in Danube navigation and the tolls demanded by Belgrade for use of the Danube's Serbian section were the issues discussed by the Danube Commission on Monday [16 November].

Foreign Affairs spokesman Janos Herman briefed the press on the conclusions of the discussion on Tuesday.

The Danube Commission, which held its fourth extraordinary session, included the effects of the Gabcikovo plant on Danube navigation in its agenda at Hungary's initiative.

After a long discussion, the Commission decided that at its session from 7 to 12 December, the expert committee in charge of navigation should examine the power plant's effects on navigation and compile a report on its findings for the Danube Commission.

The session also considered whether the UN Security Council sanctions against Serbia and Montenegro are being observed in the Danube navigation. Herman said Hungary abides by the Security Council resolution No. 286 in all respects, refusing to allow banned consignments to cross its border with Serbia. Hungarian authorities even examine ships going to Serbia and Montenegro as transit stops, in order to prevent banned products reaching Serbia in transit traffic.

In another development, the Danube Commission called upon Belgrade to immediately withdraw a decree under which it collects tolls for the use of the Serbian Danube section. According to the Commission, such a decision jeopardizes navigation on the Danube and runs counter to the Belgrade Convention, a document on Danube navigation signed at the founding of the Danube Commission in 1948.

Ban on Nazi, Communist Symbols Discussed

AU1911160492 Budapest MTI in English 1847 GMT 17 Nov 92

[Text] Budapest, 17 November (MTI)—A ban on the use of Nazi symbols, communist symbols, and other emblems and regalia recalling autocratic systems of government would be enforced by a Hungarian Democratic Forum [MDF] sponsored bill Hungarian Parliament began discussing on Tuesday [17 November].

Parliamentary Deputy Imre Konya, leader of the MDF parliamentary group, who submitted the bill, said the full rigour of the law should be applied against extremism. Under the terms of the Hungarian Penal Code, the court can dissolve anticonstitutional organisations. However, the matter of wearing or using symbols that clash with the constitution is not legally regulated.

The bill therefore would ban, by amending the Penal Code, the use of symbols which refer to symbols of Hungarian dictatorships, and which are capable of disrupting public order.

Contributors to the debate were unanimous that legal settlement of the issue was necessary, but they viewed the way in which the law defined the area of symbols to be banned differently.

Imre Konya argued for a general formulation, stressing it would be unfortunate to include an item by item listing in the Penal Code. On the other hand the leader of the Federation of Young Democrats parliamentary group, Viktor Orban, called for including specific bans in the bill on using and wearing the swastika, the Hungarian Nazi symbol (arrow cross), and the hammer and sickle. A socialist party representative moved to precisely define the kinds of symbols that would fall under the ban in the future.

Tamas Katona, political secretary of state of the Prime Minister's Office, stressed the bill signals a clear distancing from both the extreme right and the extreme left.

Official Examines Romanian Security Policy

AU1811122392 Budapest NEPSZAVA in Hungarian 14 Nov 92 p 2

[Article by Janos Galovicz, staff member of the Hungarian Security Policy and Defense Research Center: "New Romanian Basic National Defense Principles"]

[Text] The military policy emerging in the Carpathian Basin and our immediate neighbors and the defense policy and armed forces of individual countries in this region is one of the determining factors of the Hungarian security policy, especially in view of the continuing Yugoslav war. We have already analyzed the defense policy and the expected size of the Armed Forces of the Slovak Republic. This time, we are discussing defense policy and the Armed Forces of the Republic of Romania, a country with which we have 500 kilometers of common border on flat territory and in which there are more than 2 million ethnic Hungarians.

Romania has a special and also an important geostrategic location, being present in both the Carpathian Basin and the Balkans, and it has borders with two former Soviet republics, with a considerable Romanian population living mainly on historical Romanian territory. In addition, Romania is a Black Sea country. According to its own formulation, the Romanian national defense doctrine is exclusively defensive.

The Romanian national defense is a uniform body. The Supreme Defense Council heads the army both in peacetime and in war. At a strategic level, military activity is headed by the general staff, and it also coordinates the

activity of individual military headquarters. The composition of the Romanian national defense forces is quite special and, in many respects, it differs from the general trend prevailing in Europe. Its roots can be traced back to the events of December 1989, and the role of the army in these events. This special trend primarily reflects a concentration of forces and military hardware and an organizational-leadership concentration.

Thus, the actual armed forces, the territorial troops, the border police, the police, the units of Romanian intelligence, the property police, the fire brigade, and the resistance forces all belong to the combat forces. The non-combat forces are made up of the volunteer units of civil defense and the Red Cross. The peacetime number of the armed forces that make up the main strength of the national defense is more than 200,000 troops. In case of war, this force can be increased by 700,000 reserves.

According to 1991 data in the foreign press, the Romanian Armed Forces possess almost 2,700 tanks, 3,700 armored combat vehicles, 4,600 artillery pieces, 18 strategic and 28 tactical missile batteries, more than 400 combat aircraft (including MIG-21, MIG-23, MIG-29, and Romanian production JAR-93), close to 250 helicopters (including 100 tactical helicopters), and a considerable number of Soviet-made air defense missile systems and radar stations.

According to the new doctrine, the newly introduced military reform intends to make some cuts in military personnel, increase the number and skills of professional soldiers, and modernize the military and organizational structure. The intention to turn the air force into an independent unit and to strengthen the forces within the Carpathians both quantitatively and qualitatively is a noteworthy element of the aforementioned changes.

The Romanian Armed Forces are made up of four elements (ground forces, domestic air defense, air force, and navy) as well as National Guard units.

Romanian military hardware is partly of Soviet origin and partly homemade under foreign license. The Romanian domestic military industry has a wide range of products and, with its considerable volume of products, this military industry is a major supplier of the armed forces. In the future, the Romanians want to develop this industry with foreign aid and with cooperation. The training of the professional staff is taking place in well-equipped military educational institutions (military high schools, colleges, and the academy).

Without attempting to draw extensive conclusions for the security and the security policy of Hungary and of the region, we must declare that the quality of our general bilateral relations, the exaggerated nationalism, the prevailing situation of the Hungarian national minorities, the repeated anti-Hungarian outbursts, the complex structure of the armed forces, and the deployment of a considerable number of well-trained forces within the Carpathian Basin are definitely noteworthy security policy factors.

However, it is also a fact that the official Romanian military doctrine focuses on the country's defense and that relations between the Hungarian Army and the Romanian Armed Forces and between the two defense ministries are good ("Open Skies" and regular exchange visits, even at the level of brigades). All this is a favorable and stabilizing factor.

It would further strengthen the feeling of security in this region, including Hungary, if the bilateral Romanian-Hungarian relations improved through mutual efforts, especially in the political and social area, if the living conditions and human rights of the Hungarian national minority were dealt with according to European standards, if the two countries cooperated in their efforts to catch up with Europe, and if social and nationalistic extremism did not gain further ground.

Economic Prospects for 1993-96 Discussed

LD1811192992 Budapest MTI in English 1619 GMT 18 Nov 92

[Text] Budapest, November 18 (MTI)—Hungary's current account surplus may exceed all expectations and rise to USD [U.S. dollars] 800 million, while currency reserves may reach USD 6 billion by the end of the year, enabling Hungary to meet its debt service obligations safely, a Finance Ministry senior official said at a conference on the Hungarian economy's prospects from 1993 to 1996 on Wednesday [18 November].

In 1993, the country's GDP [gross domestic product] is expected to stagnate or perhaps show a maximum growth of 3 per cent, while the inflation rate is to be around 16-19 per cent, Zsolt Amon said.

This year, Hungary's exports have grown by 5-6 per cent and the Finance Ministry expects it to stay at that level up to the end of the year. Data has shown that Hungary is realizing a market shift. The pace of inflation has slowed. In 1992, the rise in production prices will remain under 12 per cent, while the rise in consumer prices under 23 per cent.

Industrial production stagnates at the same low level as late last year. The drop in agricultural production is expected to continue, aggravated by the drought, and, contrary to government expectations, GDP will remain 5 per cent below last year's level. By September, the number of jobless rose to 620,000, a 12 percent rate, and is expected to climb to 700,000 by the end of the year.

Considering this year's experience, the government expects the decline in economic output to stop next year, and sees some growth possible in certain spheres. The government will make no attempt to invigorate the economy arbitrarily.

In 1993, GDP may grow by a maximum of 3 per cent. Growth of 2-4 per cent may start in 1994. The number of jobless is expected to grow further next year, reaching

900,000. Inflation will be about 16-19 per cent in 1993, and is expected to drop to 11-13 per cent by 1994.

Rate of Inflation Continues To Increase

AU1811105292 Budapest MTI in English 1440 GMT 16 Nov 92

[Text] Budapest, 16 Nov (MTI)—Consumer prices grew by 2.5 percent in October following rises of 2.4 percent in September and 0.8 percent in August, a Central Statistical Office (CSO) report published today shows.

Twelve-month consumer price inflation continued to rise in October and stood at 23.4 percent, as against 21.7 percent in September and 20.7 percent in August.

Twelve-month inflation peaked in June 1991 at 38.6 percent and then fell continuously to 20.1 percent in July this year. Since August, however, inflation has begun to creep up again.

Food prices rose overall by 5 percent in October with pork prices going up 15 percent and pork and poultry fat 19 percent.

Domestic energy costs were up 5.3 percent on average with the cost of heating oil rising by 10 percent and propane gas by 32 percent, the CSO report says.

On the other hand, the price of services grew by only 0.7, consumer durables by 1.0, spirits and tobacco by 1.3 and clothing by 2.8 percent in October. At 27.2 percent, food prices saw the biggest increase in the 12 months up to the end of October. Within that figure, the price of pork grew by 48 percent, eggs by 63 percent, bakery products by 34 percent and vegetables by 82 percent, the CSO report shows.

Among the food items with lower than average price increases in the twelve-month period were: poultry (up 17 percent), cheese (15 percent), sugar (18 percent), rice (7 percent), cooking oil (3 percent), potatoes (4 percent), while coffee prices were virtually unchanged.

The price of consumer durables rose by 11.8 percent in the period, clothing was up by 20 percent, household energy cost 22.5 percent more and the price of spirits and tobacco rose by 22.9 percent. In the 12 months up to the end of October, the price of medicines and medical products grew by 52 percent. Water rates were 50 percent and sewage charges 45 percent up. The cost of car maintanance was estimated to have risen by 46 percent, while taxi fares were up by 49 percent.

Consumer prices grew by an average of 18.4 percent in the first ten months of 1992. Of this, the growth in prices was only 11.9 percent in the first seven months of the year as against 26.0 percent in the corresponding period of 1991. In the August-October period, however, prices grew by 5.8 percent as compared to 3 percent in the same period last year.

Hungarian Central Statistical Office figures for October consumer price increases in Hungary:-

	Dec, 1991	Change (percent)	
ITEM	equals 100	in 1 month	in 12 months
Foodstuffs	122.5	5.0	27.2
Alcoholic beverages, tobacco	122.2	1.3	22.9
Clothing	113.8	2.8	20.0
Household energy	115.1	5.3	22.5
Consumer durables	108.9	1.0	11.8
Other industrial articles, fuels	118.9	1.2	24.9
Services	117.5	0.7	24.9
TOTAL	118.4	2.5	23.4

Skubiszewski: Normalizing Ties With Former USSR Needed

LD1811212392 Warsaw PAP in English 1745 GMT 18 Nov 92

[Text] Warsaw, Nov. 18—The normalization of relations and the creation of a strong base for Poland's relations with her eastern neighbours constitutes one of the priorities of Polish foreign policy, Minister of Foreign Affairs Krzysztof Skubiszewski told a joint meeting of 5 parliamentary committees, devoted to Polish eastern policy, on Wednesday [18 November]. Skubiszewski stressed that the fundamental asssumption for Polish policy in this region was the "principle of double track", which means maintaining "indispensable, rebuilt relations with the so-called centre of the former Soviet Union and a future-oriented, parallel process of establishing and developing ties with the (former Soviet) Republics.

IMF Official: Negotiations May Be Complete Soon

LD1811222992 Warsaw PAP in English 2008 GMT 18 Nov 92

[Text] Warsaw, Nov. 18—Director of the Warsaw bureau of the International Monetary Fund (IMF), Mark Allen said on Wednesday [18 November] that negotiations on the content of the letter of intent between the Polish Government and the IMF are likely to end next week. The letter of intent will only be signed after it receives the approval of both sides. This process may take an additional two weeks, added Allen.

The funds which Poland is to receive from the IMF are likely to be less than the 2.5 billion dollars agreed upon in April last year. By how much less is to be decided during the present negotiations. Poland had already received 300 million dollars of the 2.5 billion figure before its agreement with the IMF was suspended last fall. The former extended arrangement involved a three year adjustment period. A stand-by arrangement will be the result of the present negotiations, said Mark Allen.

Walesa May Create Presidential Party if Necessary

PM1811130092 Gdansk GLOS WYBRZEZA in Polish 7-8 Nov 92 pp 1-2

[Interview with President Lech Walesa by correspondent Ewa Grunert; place and date not given]

[Text] [Grunert] Mr. President, let us invoke the memory of the time when, as Solidarity chairman, you met with Gdynia's shipyard workers here, in this hall. I should like to ask you whether you miss those days.

[Walesa] Yes, I do. I would also dearly love to be 18 again. But did I have a choice to do something else then? I did not, nor do I have a choice now. Do I miss those days? Of course I do, but in those days we were all concerned with something different than today. What mattered to us then was that we should fight to win the right to a normal development. We won this right, but normal development is proving to be extremely difficult. Let me give you an example: Take Britain, where they drive on the left. They know very well that this is not OK, that it is out of step with the rest of Europe, but they do not have the strength to change it. Now, we have achieved things that are a thousand times more difficult. And we have won everything, but this everything is on the wrong side, based on the wrong principles. Our tragedy is that we had expected to see a string of successes follow the successful struggle, but the truth is that it will take whole generations before we have finished rebuilding... And this is the source of all our problems...

[Grunert] Mr. President, you were recently criticized vigorously by Deputy Macierewicz during a meeting that he attended in Gdynia...

[Walesa] ...This means that I still count for something, for if not, he would not have criticized me...

[Grunert] ...Deputy Macierewicz referred to former [Czechoslovak] President Havel, who freely confessed to a disastrous episode in his career, and was understood and forgiven by his Czech compatriots. It is being implied that we in Poland are faced with a similar dilemma. Would you like to give us your comment in this matter?

[Walesa] The only thing is that Havel is no longer president, whereas I am... But I would like to be clearly understood: The times in which we live are now more practical than theoretical. It is not enough for anyone to be right: He must also be able to prove that he is right. Havel is right, and he is a great man, but—unlike me—he has no practical experience at all. I have no theoretical preparation, but I am acquiring it now. He, on the other hand, has the theoretical preparation, but is unable to acquire the practical experience. He was a great president, but he also needed some victories to his name, and he could not have them without the sort of practical experience that I have gone through.

[Grunert] Mr. President, do you envisage a change of government?

[Walesa] It is possible because we have a democratic system. On the other hand, you will have noticed that I am working very hard on shaping the qualities of our great Madam Prime Minister, who is a very able woman. I foresaw a few things that could happen and over which I would have no influence because, as I just said, we have a democratic system, but I will continue to direct things over which I have influence. I support Madam Prime Minister. The London invitation was originally for me, but I ceded the field to Madam Prime Minister here. I invest a lot in her so that she can develop into a great prime minister because a great prime minister is what Poland needs.

[Grunert] Will you set up a presidential party?

[Walesa] If it turns out to be necessary, I will. I gave my promise that I will score a victory, and I will keep my word: I will win. How will I win? I do not know; maybe it will be precisely by creating a presidential party. I would prefer not to set up such a party yet, for it would represent an additional ballast. Different new interests and new exigencies will come into play, and I would prefer to avoid that. I would prefer to play my decisive hand in the game without any extra encumbrances, but if things continue to go as badly as they are going now, I will have no choice but to form a presidential party.

[Grunert] Mr. President, would you expect to attract considerable support for your party?

[Walesa] I expect to attract sufficient support to let me win.

[Grunert] Thank you for talking to us.

Sejm Commission Adopts Draft Law on Abortion

LD1911180392 Warsaw PAP in English 1742 GMT 19 Nov 92

[Text] Warsaw, Nov. 19—The extraordinary commission of the Sejm (lower house) on Thursday [19 November] adopted a draft-law on "Legal Protection of an Unborn Child" in a form basically similar to that of the draft forwarded by the Christian National Union (ZChN) and a group of 176 MP's [members of parliament].

The draft was passed with ten votes for, four—against and one abstention. The commission rejected a motion put forward by Deputy Izabela Sierakowska from the Democratic Left Alliance (SLD) to supplement the draft preamble with words expressing respect for the "generally recognized women's rights".

The draft provides for up to two-year prison terms for both physicians and women doing away with pregnancy. However, in particulary justified cases the punishment may be withheld.

The draft excludes all pre-natal tests for it has provided the unborn child with legal capacity which means that such a child has the right to claim compensations from parents, doctors and firms employing pregnant women in noxious conditions, for wrongs done to the foetus before it was born. The question of contraceptives remains unsolved for the draft lacks a direct provision prohibiting their use.

Explaining the motives on which the draft's authors reasoning was based, Deputy Jan Lopuszanski (ZChN) argued that "a human being exists from the moment of conception" and that human life should be protected in its entirety and not only in some of its parts. "Up till now, nobody has invented a method protecting human rights without resorting to punishment for their infringement", he said.

Deputy Zbigniew Bujak, who chairs a social committee for referendum on abortion, told newsmen that a reasonable law could regulate relations between institutions, organizations and pregnant women and in this way can be helpful, "but it does not have to resort to punishment."

He said he counts on a national referendum on abortion. In case the Sejm rejects the motion, its authors will wait for the president-proposed Charter of Rights and Freedoms allowing them for holding a referendum after having collected 500,000 signatures supporting it.

Prof. Zbigniew Brzezinski, former national security adviser to the U.S. President, who is now on a private visit in Poznan, told newsmen that a referendum on abortion could relieve tension created by this matter provided that discussion is conducted in a moderate and restrained manner.

Warning Against Extreme Legislation

LD2011000692 Warsaw PAP in English 2318 GMT 19 Nov 92

[Text] Warsaw, Nov. 19—The presidium of the Democratic Union (UD) declared Thursday [19 November] that "the legal solutions prepared by the extraordinary committee on the question of the protection of the unborn child are extreme proposals and include appalling legislative errors."

"We are convinced that the phenomenon of terminating pregnancies is social evil. We consider however that a law should encompass the totality of problems concerned with maternity and the prevention of pregnancy. The present draft will not only fail to fulfil its declared intentions but will lead to increased pathology in public life," the statement said.

The punishment of women and doctors, the prohibition of prenatal examinations and some contraceptives, as well as the avoidance of the whole problem of sexual education, are condemned in the statement as being contrary to the principles of the civic society and also to the idea of protecting life.

The statement argues that not only MP's [members of parliament] but members of the public as well have the right to decide on the question of abortion. The UD presidium does not however think that it is realistic to expect a referendum because of the political balance of forces in parliament.

It fears that the social divisions over the issue will prevent any fundamental solution to the abortion problem and other important political problems in poland.

The leadership of another political grouping, the Christian Democratic Party, announced on Thursday that it is against a referendum on the question of abortion. "Human life cannot be the subject of any kind of referendum," reads the party executives statement.

Walesa, Journalists' Association Chairman on Ethics

LD1911192992 Warsaw PAP in English 1804 GMT 19 Nov 92

[Text] Warsaw, Nov. 19—President Lech Walesa and Chairman of the Polish Journalists Association (SDP) Maciej Ilowiecki on Thursday [19 November] discussed problems of Polish journalism, in particular the professional ethics.

The president supported the idea to set up a presidential council for mass media and information to be attached to his office. Lech Walesa pointed to tremendous duties and responsibilty towards the country and society resting with Polish journalists and mass media that act as intermediaries in conveying the information from the authorities to society and vice versa. He said that a major revaluation was needed in this respect to back those moral values that would help work out the professional ethics of journalists, taking into account the needs and expectations of Polish society and the state to a greater extent.

Cabinet Approves 1993 Draft Budget

LD1911222192 Warsaw PAP in English 2132 GMT 19 Nov 92

[Text] Warsaw, Nov. 19—The Polish Cabinet on Thursday [19 November] approved a draft budget for 1993 which envisages a deficit of 81 trillion zlotys (5.4 billion dollars), or 5.1 percent of Poland's gross national product (GNP). The approved draft, and three draft laws amending Poland's fiscal administration, will now be presented to the Sejm (lower house of parliament).

The proposals, acceptance of which was deferred from Tuesday, envisage total budget income of 433.5 trillion zlotys (29 billion dollars), and expenditure of 514.5 trillion zlotys. The 81 trillion zloty deficit will be financed chiefly through the banking system, and in consequence a growth of commercial bank indebtedness of around 75 trillion zlotys is forecast.

Poland's GNP will rise only slightly during the year, while import growth of 4.7 percent will considerably exceed a forecast export growth of 1 percent. The year-end balance of payments deficit is likely to be around 4.2 billion dollars, largely as a result of Poland's foreign debt servicing requirements. The government predicts a foreign trade surplus of about 4.5 billion dollars next year.

The government forecasts that annual inflation will reach 39 percent by the end of 1993, with controlled price increases above this forecast rate in several areas under government control, such as central heating and hot water (92 percent), electrical energy (65 percent), and gas (56 percent). Real wages are forecast to fall by around 2 percent during 1993.

The government also envisages that the zloty, currently valued at around 15,000 to the U.S. dollar, will devalue by around 20 percent during the course of 1993, with a rate of 19,000 zlotys to the dollar forecast for the year end.

Over half of budget outgoings (269.2 trillion zlotys, or 17.9 billion dollars) will be directed at public sector expenditure, and a further 113 trillion zlotys dedicated to social security payments. Servicing of the national debt will account for a further 61.6 trillion zlotys.

Senate Accepts Amendments to Radio, TV Bill

LD1911232292 Warsaw PAP in English 2053 GMT 19 Nov 92

[Text] Warsaw, Nov. 19—The Senate (upper house) on Thursday [19 November] decided by an overwhelming majority to amend the bill on radio and television to include a clause on the necessity of respecting Christian values by both public and private broadcasters.

The senators did not however accept an amendment forbidding programmes from propagating activities contrary to the Polish "raison d etat".

In all 41 amendments to the bill were accepted.

The Senate differed from the Sejm (lower house) in its proposals for the 9 person National Broadcasting Council by proposing three council members each nominated by the Sejm, Senate and president whereas the Sejm wants 4 proposed by itself, 2 by the Senate and 3 by the president.

The Senate also rejected the inclusion of an article on the council in the constitution, which the Sejm bill had proposed, because it was felt that this would encourage political, professional and social pressure groups to try to get their people on the council. Furthermore the Senate does not want to include any parliamentarians on the council.

Vacaroiu Addresses Parliament Joint Session

AU1911141192 Bucharest Radio Romania Network in Romanian 0712 GMT 19 Nov 92

[Speech by Prime Minister-Designate Nicolae Vacaroiu at joint parliamentary session on Government Program in Bucharest—live]

[Text] Mr. President, Members of Parliament, Ladies and Gentlemen: Please permit me to make a few references to what has been said here about the program presented by the government team and about the government team itself.

First, I want to say that I have listened with great interest to what has been said. After reviewing the problems raised here, I can say that very many of these problems were very interesting and will constitute—should this government team be endorsed—questions to think about when proceeding to the formulation of a detailed strategy for the government program in the coming four years.

In my speech I would not like to refer again to what the government program includes. Similarly, I would not like to discuss again a number of additions that I made at the beginning of yesterday's parliamentary session. However, I would like to say that your speeches have proved one thing: the complex nature of the period we are experiencing, the complex nature of the problems facing this country. One thing has been brought to light: We cannot start off without a detailed program that puts forward tangible solutions regarding the achievement of the objectives which we have proposed—the continuation of the reform and the privatization process.

I am saying this because in your speeches you referred to very extensive problems; at the same time, however—please forgive me if this is not the truth—no tangible solutions were offered.

I want to give you an example: There are numerous cases and I will quote one at random. If I am not mistaken, one of the members said that, you see, in my program, were I to be at the helm of my party, one of my measures would be as follows: a 50 percent cut in taxes. This sounds nice, is a popular thought, and immediately strikes a chord among the public. But let us examine this a little. What does it mean? Please think for yourselves, so that I do not have to supply the answer. Would it mean a reduction of government spending by some 40 percent, because that person referred to indirect taxes. This would have implications for the entire government spending program, on the Army, health, education, culture, and so forth. Can we do such a thing? Can such a solution be applied in practice? [at this point, a number of members start talking among themselves; Dijamrescu begs the participants to observe the order of taking the floor]

I do not want you to be angry, and, as you could see, I did not interrupt anyone, I did not utter a single word while you were talking.

So, he said, let us apply this in practice. However, if you do not mind, we cannot experiment with our country. We have carried out enough experiments and this has cost us dearly. Naturally, any problem has to be examined, reexamined, and discussed with experts, irrespective of whether they belong to the opposition or the ruling party. And only after such examinations can decisions be made. We have to assess the effects caused. Thus, there is no simple problem. It is easy to raise such problems. But if we make a thorough analysis, you will note particular implications. Generally speaking, we have suffered in this period for this very reason, because we have passed laws without proper consideration, without carefully examining the consequences for the economy. And, if you do not mind my saying so, the effects can be seen.

Another member said that the government team means a step backward. Well, I would give anything to be able to step backward, to return to where we were before certain steps were taken and think again about them, such as, for instance, liberalization [applause], the problem of a sudden liberalization of prices without a competitive market and with an extraordinary monopoly everywhere. I would give anything to be able to go back to reexamine the problem of the evolution of exchange rates and to rethink it and examine whether those measures were well grounded and justified.

Certainly, we cannot go back and so we have to continue our march forward. This means a comprehensive and specific examination of everything we have achieved, what is hampering the continuation of the whole transition process, and this implies corrections, of course, in the form of proposals to parliament; thus, it means to examine what inhibiting the implementation of the objectives linked to the transition period and the establishment of a market economy.

You see, this is not an easy problem; indeed, it is a particularly difficult problem. This problem cannot be solved by a single man. If we start from the same idea that existed before, namely that one man knows everything, we will not achieve anything. Unfortunately, we used to have Ceausescu who claimed to know everything and used to make recommendations; but you know, even after the reform, there were people who knew everything and made recommendations.

What I can say, for example, is that in the Ministry of Finance there were laws whose implications were not even realized by those active in the Ministry of Finance, although they had definite effects on both the budgetary resources and especially the economy in general. Certainly, this complex transition process is not easy and those who governed were also confronted with a number of complex problems, especially since it was an incipient

period. However, the time has come to put things into order. We have to begin a coherent strategy.

There are very many problems you have mentioned, some of them are very justified and I have taken note of them; they will be dealt with after this government team has been endorsed.

I do not now want to refer to the strategic objectives in question; the following problem has been posed: What do the strategic problems you have presented mean? Shall we endorse you for four months or four years? Gentlemen, there is a single endorsement here: For four years, if you will.

The measures that are being taken cannot be applied overnight. Such measures are worked out now and the effects are noted in about five to six months. Thus, one cannot work at a certain pace. Someone else said: Can we not formulate a program for four months, or for four or five years? Well, this was a method that we used to apply; you recall the five-year plan in four and a half years, which was then reduced by another four months. Yes, but one thing is not being understood, namely that we are experiencing a period of pronounced crisis. both in the economic and social areas, and generally in the whole socioeconomic field.

In a time of crisis, one has to formulate a crisis program for a given period, because that is the priority objective to be pursued. And, if you do not mind, we have a period of six months that is particularly difficult from this point of view. I have said this before and I shall say it again, this is a period that has accumulated the entire range of negative effects of the transition process. If we succeed in emerging from this period, it will mean a particular success, and we will be able to embark on our road.

Someone else raised another problem, namely state intervention. Well, it is true, I have presented a detailed report, but it is not possible to include my wishes. I want to tell you that in all the countries in the world, I mean the capitalist ones, state intervention is present to some degree, and at a time of crisis this intervention is particularly strong. Some of the most competitive economies at this time—just think of Japan and Germany—are characterized by particularly pronounced state intervention. Certainly, it is desirable that this intervention take place, if possible, through financial levers such as fiscal measures, interest rates, and so forth. However, this does not mean that the state—in its position as owner—should not interfere in any kind of problem; each one may do whatever he wishes; that he may view the state-owned company as his own estate and may destroy it. If you want, I can quote examples. Last night I talked to at least 10-15 big companies. They told me what problems they are facing.

You see, during the socialist period, we justifiably criticized socialist ownership as being no one's ownership. This is perfectly correct. Privatization is the only way to ensure improvement and progress. However, socialist ownership as the ownership of no one could not be destroyed because it was protected and controlled by the executive power. So, what have we done now? The state does not intervene anymore, the protection is gone, the control by the executive power is gone, and everything is ruined. That's the problem, if you do not mind my saying so.

As a rule, we have very many companies whose leaderships survive because of their popularity. Certainly, I do not want to say what kind of business deals are made, but they are anything but clean, since any kind of contract relations have disappeared; thus all these control instruments have disappeared; there are independent people who have complete freedom—it is they who are the owners, not the state, thus misinterpreting Law No. 15. These people manage the assets of the given enterprises but they are not the owners of the social capital, which belongs to the state.

The state is responsible, because the company is still public property and the state has to account for it before the people. Nobody wants to hamper the economic freedom of the company's manager. However, he has to administer it properly, and one has to ensure that this restructuring process is in step with the ongoing privatization process. We have to privatize the economy as we go along, not by destroying the economy in order to privatize it.

The state's intervention has most varied forms and modalities in all countries in the world. This is not an easy thing. Yesterday, I gave you a few examples. I can tell you now that in many countries where state ownership is still widespread—I am talking about capitalist countries—there is a steady concern with the need for privatization. Therefore, this thing is not done overnight. For instance, there is an ongoing discussion in France about privatizing public transportation. A possible formula would be the following: Nobody gets involved anymore, the state withdraws from the management processes, the buses are sold, and the privatization takes place automatically. One sets out from a principle, namely that the market regulates supply and demand and ensures the stability of prices and exchange rates. However, and I beg to be forgiven for saying this, such a market does not really exist in our country. We are going to create this market in the transition period, not in a month or two by issuing a law to this effect and stating that we have a market economy. It is a long-term process. You know as well as I do that France started a price liberalization process in 1983, which lasted for three years, until 1986. Therefore, it went ahead with that price liberalization in step with the emergence of a balance between supply and demand in various sectors, which automatically regulated these prices and prevented them from going up.

But what happens when you do not have competition? What is more, we had even greater monopoly than in the past, because, what we did was to break up the companies and make six out of one: Each company produces a subassembly, holds on to it, and plays with its price as it

deems fit, since it is the sole producer. Of course, this would have been an argument if we had a very competitive production and foreign competition. But we are not in such a situation. Excuse me, but we cannot afford to lose a product that can be acquired at very high costs. Certain things became just uninteresting. We totally eliminated export and import licenses, everybody did what they wanted, there is no food in the country, but we are exporting wheat and meat. This is total freedom. Excuse me, but we cannot proceed from a socialist centralized economy to a liberal market economy. This is my personal opinion, if you like. It is my opinion that, in Romania, we can only build a social market economy. This is just an opinion, of course, one out of many. Nevertheless, we will discuss this issue later, to see all the pros and cons. You see, the problems are not easy and quite complicated. I would like you to understand the situation of the moment and realize that Romania is in an unprecedented crisis, the worst since the revolution.

Questions were raised and problems emerged in connection with the government's structure, such as the need to set up a ministry of minorities. Of course, we examined this matter, since we received such a proposal. I can tell you—this is also a personal opinion—had we chosen the variant with a ministry of minorities we would have departed from the constitutional principle, that is from the principles of the Constitution, which stipulates that all people are equal before the law. Therefore, the Constitution sanctions this, which to me looks like an extraordinary thing, and we did accomplish some extraordinary things. Indeed, this is only right. We must see to it that all people are equal before the law, both with regard to rights and obligations, irrespective of political coloring, ethnic origin, and so forth.

What would have been the meaning of setting up such a ministry of minorities? It would have meant setting up an overcentralized mechanism in charge of specific problems, which would have been tantamount to discrimination and a departure from the Constitution principles that forbid discrimination. But, if you do not mind, all these problems are solved by the relevant ministries in various spheres of activity. The Ministries of Education, Health, and Culture have specific directorates dealing with the problems of minorities. Should we amalgamate all these problems in a single place? Is this a solution? Of course not. It is true that the Consultative Council that dealt with the problems of minorities—I did not have time to examine its activity yet—has not functioned properly. We discussed and thought up solutions for putting a minister of state in charge of this council—in order to make it more efficient, so that the government is always aware of the specific problems of the minorities; this minister's task would be periodically to brief the government on the problems raised and the possible solutions.

Several problems raised are very correct and quite justified, in my opinion. They deal with financing programs, ensuring headquarters for the organizations of certain minorities, and so forth. Therefore, there are problems that must be thought out and solved. During the discussions held on this issue, I had an open mind. I said that everything should be examined and one should see what can be done.

Moreover—you know as well as I do—that, through the democratic Constitution it has adopted, Romania is in line and even exceeds many of the international provisions in this sphere of minorities. All minorities are represented in Parliament and have the right to make legislative proposals. Therefore, I personally believe that such a ministry is not necessary, particularly since this is not the government's goal. The government's goal is to operatively solve a number of difficult problems faced by the minorities. This can be solved through open dialogue among all of us.

Another proposal that, it is true, I received at a later date, dealt with the question of a ministry for religious affairs. It is true that I received this proposal after the presentation of my program and team. Nevertheless, I can tell you that I have examined this matter, which is an open one and deserves attention. I would like to emphasize that this is a matter of principle. At this time, we have a State Secretariat for Religious Affairs, that is, a specialized central public administration body, which ensures the state's relations with all denominations in Romania. We examined the situation and came to the conclusion that the denominations have enjoyed permanent support from the state. I do not want to read out now—I have the list here—the many government decisions on this matter. Many problems were solved; of course, not all of them, but quite a few. What is more, through a recent decision—No. 592 of last June or August, if I am not wrong—we settled the matter of the secretariat and reorganized the State Secretariat for Religious Affairs, in accordance with the Constitution provisions. Nevertheless, in the examination of this matter, we should also proceed from the principle that, in accordance with Article 29 Paragraph 5 of the Constitution, religious denominations are autonomous vis-a-vis the state and enjoy its support. Likewise, we should bear in mind that this State Secretariat for Religious Affairs has limited powers in ensuring links with all organizations of the denominations in Romania, given the autonomous character of the latter. Therefore, setting out from all these considerations, we will have a dialogue with the representatives of the religious denominations on this subject in order to find solutions for better efficiency in the activity of the secretariat. Nevertheless, there is something positive I can tell you, namely that, on all matters pertaining to religious denominations, the representatives of the religious denominations attended the relevant government meeting which examined these laws, a practice we will maintain in the future, too.

Allow me briefly to answer a few questions put to me. One question referred to the prime minister's position toward the Democratic National Salvation Front [FDSN]. I would like to tell you that, in my opinion, following the dialogue conducted by the FDSN with the political parties represented in Parliament, a general

consensus was reached to the effect that the respective parties will not participate in the government and the FDSN will form a government and then govern. Well, this is exactly what it is doing. The FDSN has formed a government—if this is the issue—consisting of experts, who are either FDSN members or not, but who are certainly representing the FDSN and applying the FDSN program, which is coordinated with certain coalitions backing the governing party. This is the program. Therefore, the prime minister, although he is independent, will implement the FDSN's program, by taking into consideration the requirements of these coalitions dictated by Romania's current stage and situation. [applause]

Another question referred to whether we are going to make a profound analysis of the variants dealing with the 1 May cut in subsidies. I can tell you one thing: No problem of concern to the country will be solved through decisions taken by people without a very detailed examination of their effects in the economy. I can tell you that people are already examining each subsidy separately, the economic effects of their possible elimination, and likely countermeasures. However, this is not enough. In this period of difficulty in governing, all experts should give steady support, even if this comes from a critical position, to finding appropriate solutions and variants. I am primarily referring to the Economic Research Institute, which should play a very active role, and which will participate in round-table discussions on various subjects in this field, which I will convene.

Nevertheless, gentlemen, this problem of subsidies raises several problems. I have the impression that some of you got the totally wrong idea. For instance, 1 May will not mean eliminating subsidies in agriculture. Agriculture is a very important sector for the country, and must recover speedily. Therefore, with the speedy conclusion of the distribution of private ownership certificates—which is a very important matter—the agricultural sector will still have to resort to state facilities in order to function. Even in the developed capitalist countries, the EEC and so forth, there is a system and mechanism for granting subsidies.

Another question asked whether we had found a strategy for halting the economic decline. Of course, we have an opinion on this, in this report in which I proposed a few solutions, which appeared to me quite relevant: One refers to ensuring the state's control over management, without affecting the economic freedom of the manager, but by imposing certain performance criteria; second, I proposed a mechanism—which we will further examine to ensure its practicability—to introduce government orders in order to solve the stringent problems of the economy in general and to provide those materials that are in short supply.

It is also necessary to settle a number of aspects such as those of the trade credit in order to reestablish contract relations between companies, irrespective of whether they are private or state-owned. This problem of financial blockage, which raises tremendous problems, consists of very many factors, not only the one I have mentioned. It is complex and has been a much discussed problem over the past two years. It is not an easy problem. All the countries surrounding us are facing this problem of blockage. What is its origin? There are numerous aspects. The first one is the fact that from the outset, thus even during Ceausescu's time, companies did not have enough capital. If, prior to 1989, the share of credits amounted to 50-55 percent of the cash flow of enterprises, now they amount to 70 percent, while the companies' own sources amount to 25-30 percent, and in some cases they are very low. This is exactly the opposite of what is happening in the world.

At the same time, certain interests—all sorts of interests—have appeared, but especially the interest in getting rich, something that has stopped certain payments. I suppose you realize what it means if a company—and I do not want to quote any examples—a very big company, that is if the director of such a company has also set up, on the side, a small limited company, and if that director makes the funds of the big company available to the small one for just two months. I do not have to tell you; you can imagine what this means.

Similarly, I do not have to tell you, because you in the countryside know very well that at this time contract relations between companies are completely nonexistent. So-called independent people have emerged, those limited companies, which, as I have said, do not even have headquarters, nor do they ever see any commodities, and they probably cannot even distinguish between zinc-plated sheets or lathes; however, they are the ones to handle the papers and are thus able to add an additional 30 percent to the price. Certainly, profits are split, but if you add to this the trend toward tax evasion, which you are familiar with, and which has been discussed at length, then we have a picture of what is currently happening in our country. If you want to continue in the same way, then you do not need me, you need someone else. [applause]

This is how to pose the problem. And I can name the person to follow if you want us to continue along the road to destruction. [applause]

There was another question in connection with whether fiscal charges will increase or decrease. The person who asked this question proved that he had not even bothered to read the government report. It clearly states that fiscal charges will continue at the same level and will even decrease. But these charges will also decrease for many other reasons and I can tell you that, ever since 1989 right up to date, fiscal charges have decreased from 40.5 percent to 32.5 percent. These fiscal charges are calculated on the basis of an indicator called the fiscal rate, which is calculated by comparing the state's compulsory revenues with the gross national product—the overall indicator being calculated in lei.

Certainly, there has been a certain inversion in the structure of taxes, something that is not in order. For example, profit tax has decreased, while income tax has increased, but not because of the modification of the tax regulations, but because of a nominal increase in incomes. Naturally, this profit tax provides an important share of the budget. Thus, there are a number of structural modifications, which convey this image.

At a certain point, not now, someone said—and this is a man whom I particularly appreciate—that he will present a list of taxes and he began rattling away. I want to tell you one thing, there is a general rule throughout the world: Any source of income has to be taxed. The second principle is that of openness and transparency. We cannot afford to deviate from our course if we want to proceed toward a market economy. Certainly, the current situation is different; there is a mass of taxes, because we have been unable to introduce the fiscal mechanism characteristic of the market economy. For example, when income taxes have been established for each and every person, this will mean nothing more than the combining of a great number of taxes and other dues which are being levied at this time. The same thing will happen when property tax or capital gains tax is introduced.

Thus, this is a matter of time, and I want to tell you that it is not easy to deal with fiscal laws. There are many volumes which have been accumulated over the years. All of them need thorough study and calculations, we need to find out from them about effects and whether we do not do more harm than good. Thus we have to think things over very well and specialists in this area are aware of the problems we are facing. Certainly, there are serious problems when the economy does not operate. If you do not mind, I want to ask who pays these taxes? Those who are active in production, that is the population. But, if people do not work and consequently there is no production and no profit, then from where shall we get these taxes to meet our pressing requirements?

If you will forgive me, this is a matter of priority in our country; we have to concern ourselves very seriously with the infrastructure when it comes to state investments. One cannot embark upon this journey without roads and without telecommunications; one cannot expect foreign investment if the necessary conditions for new investment projects do not exist in our country.

There was another question in connection with what legislative proposals I was going to make. The legislative range is particularly wide. I have seen and pursued all the proposals for laws in the projects and programs of the political parties, especially the one of the Democratic National Salvation Front.

Thus, I have seen all those proposals for laws. Many of them are rational and well-thought out. Of course, I could easily have included a list of 100, 200, or 300 draft bills in our program and then tell you that this is what we want to achieve over the next four years. However, we have to go on doing what we have already begun—but eventually gave up doing—namely reconsidering, first of all, each law we already have; we have to examine it and the ways it is being applied on the basis of constructive criticism, because otherwise we run the risk of passing new bills, which will never be applied. Similarly, we have to find out which sectors or subsystems of the reform program have been left uncovered from the legislative point of view. Finally, after logically and carefully pondering the priorities of the desired new bills, we could present to you a list of them together with the respective deadlines by which they should be passed—because it is very important that they should become effective at the appropriate time. Otherwise, if they are passed spontaneously, as each of us pleases, new bills might be contradicted by old ones in various sectors. This is why I have asked you for two or three months' grace to elaborate the details of my strategic program.

Other people have asked why my program does not include monetary issues. I would like to tell you that the program did include a sentence and even a proposal related to that issue. There has to be a very good coordination in that domain, because if a government is not fully in control, the monetary and hard currency balance of the country is actually handicapped. That is a fact. In order to avoid such a situation, I proposed in my program the setting up of a ministerial council to hold meetings on a weekly basis and to deal with our monetary, hard currency, budgetary, and fiscal strategy. That commission is to consist of those who hold important offices in the branches mentioned, including the governor of the National Bank and the presidents of the main banks in our country. They are to establish the strategy we ought to follow. Of course, besides this, there has to be a permanent dialogue with experts in the monetary field.

A number of other issues have been also raised, for instance the way in which the cabinet intends to monitor whether the laws are being applied. I can promise you that we will go into that as well, although I think that we would first have to find out the reasons that have led to the situation wherein certain laws are not being applied. Is it the fact that they have encountered objective obstacles, or is it rather that the people are putting up resistance to certain regulations—we have yet to find out what the truth is, but one thing is certain: The ministers in charge of various domains will also have to supervise the observance of the laws in their branches, to discover the reasons certain laws are being ignored.

Concerning the question of whether we have devised a strategy designed to stop the decline of our economy, I can tell you that we have naturally discussed and rediscussed that issue, but I cannot yet affirm that we have reached a final conclusion. Putting a stop to economic decline has a great deal of implications. What we have done in our program is to express certain principles on that issue. They are, as I have already mentioned, the necessity for state control and administration, the necessity for state intervention, for governmental orders, the

appropriate solving of the issue of contracts and of trading credits in general, the very sensitive issue of interest rates, including mastering inflation and the reduction of interest rates, state intervention to provide low-interest loans, and so on.

There are very many other problems and I do not want to bother you with all of them. All I can add is that the governmental team I have proposed—if it is granted your vote of confidence—will have a exceptionally difficult mission, a very demanding mission. And without your support it will certainly be unable to cope with that assignment. You are our lawmaking body and you are supposed to consider everything the cabinet wants to accomplish and to support it whenever you think there are good reasons for doing so.

Of course, our political opposition will also have a major role in that sense. I am thinking of a constructive opposition, that would come up with its own concrete suggestions and solutions. We will be delighted to accept such suggestions and solutions.

Thank you very much!

Political Leaders Comment

AU1911173292 Bucharest ROMPRES in English 1523 GMT 19 Nov 92

[Text] Bucharest, ROMPRES 19/11/1992—Radu Campeanu, chairman of the National Liberal Party: "To my mind, the new government's program is not viable. I think such a government of technocrats—in spite of FDSN [Democratic National Salvation Front] representatives—was unnecessary today. I think a political government that should have perspective was needed."

Horia Rusu, acting chairman of the National Liberal Party-Young Wing: "We consider that the act of governing is a political one and that this responsibility would have had to go to the party that won the elections, hence to the FDSN. Consequently, we voted against it. We will make a constructive opposition."

Radu Vasile, deputy, spokesman of the Christian Democratic National Peasant Party: "This vote ought to be an alarm signal to the new government. To our party there still persists a question mark connected with the appointment of a military to head the Ministry of the Interior. But, like we promised, we will make a constructive opposition and, to the extent to which the new government's decisions will be taken toward democratization, we will support them, watching out also for a possible slip toward an authoritarian management."

Sergiu Cunescu, chairman of the Social-Democratic Party of Romania: "The returns of the vote are not a surprise, as they reflect the percentages of the parties allied with the FDSN. As regards the new executive, we have already stated we will make a sincere constructive opposition."

Cornel Brahas, PUNR [Romanian National Unity Party] deputy: "Although we politically do not participate in governing, we are determined to take seriously the investiture given us by the electorate and do constructive parliamentary activity, without however ruling out the elucidations as regards the administration conducted by the former Roman and Stolojan governments. In future, we will support the Vacaroiu government, in the provinces included, with outstanding personalities and experts."

Tudor Mohora, leader of the socialist grouping: "The socialist grouping voted for the Vacaroiu government and for the program presented, being generally satisfied with the answers given during the debates as well as with the approach to the issues. We have also appreciated the quality of the people in the new cabinet. But, we wait for the long-term program promised by Mr. Vacaroiu which we will analyze and declare on. In the parliament, we will support the government in its efforts to settle the extremely difficult problems of the Romanian society."

Vacaroiu Interviewed

AU1911204492 Bucharest ROMPRES in English 1907 GMT 19 Nov 92

[Text] Bucharest, ROMPRES 19/11/1992—In an interview with the Romanian Television in the evening of November 19, Premier Nicolae Vacaroiu assessed that winter time, which implies the provision of wheat stocks, foodstuffs and of energy meant the consolidation of the future basis. He referred to the four-year government whose strategic objectives he mentioned before parliament at his investiture meeting and which were in compliance with the options the people set forth at the September 27 elections, namely to further the reform, consolidate democratic processes, ensure better social welfare and transparence in all governing acts.

Romania's prime minister specified that such criteria as competence and organizational ability lay at the basis of giving minister portfolios. If like qualities could intertwine with a politician it was a special thing, he said while answering a question referring to a "potential understanding" between himself and the party FDSN (Democratic National Salvation Front) that backed him.

Premier Vacaroiu underscored that "the negative votes cast in parliament are a serious moment for reflection," expressing his belief that the questions raised by several parties would be the object of the present government's policy. "I start from the principle that any piece of criticism, were it constructive, is welcome and makes nothing but take us to the proper road for which the Romanian people opted," stated Mr. Vacaroiu.

Program Viewed With Skepticism

AU2011085692 Bucharest COTIDIANUL in Romanian 16 Nov 92 p 2

[Article by Simona N. Popescu: "The FDSN Still Does Not Know How To Solve the Country's Problems"]

[Text] On Friday, 13 November, within the solemn framework of a joint session of the two chambers of parliament, a session that was broadcast on radio and television. We listened to the report of Prime Minister-designate Nicolae Vacaroiu and to the list he presented containing the names of the officials whom he wishes to have on the government team.

However, until confirmed in ministerial office, those presented still have to go through the hearing procedure in joint meetings of the standing commissions of the Assembly of Deputies and the Senate and have to attend the votes that will later be nominally taken by the two chambers of the legislative institution.

Bound in a tidy and esthetically rather pleasing cover, the 19 pages read out by the prime minister-designate had on its cover an over-ambitious title, namely, "The Government Program for the Period 1992-96." However, inside the cover, it contains only paragraphs grouped under such headings as "The Government Program for Winter 1992-93" (two pages), "The Government Program for 1993," and...."Strategic Guidelines for the Period Up to 1996", which demonstrate—if it is still necessary—the fact that the Democratic National Salvation Front [FDSN] participated in the elections that brought it the greatest number of votes, ahead of the other parties, only on the basis of certain promises that do not add up to a viable government program or concrete solutions. Well, the same promises made during the FDSN's electoral campaign are also included in the text presented last Friday by Mr. Vacaroiu. We have heard these things before: "we will pursue"; "we will work for"; "we will work out"; and "we will pay particular attention to." The words "the only way to pull ourselves out of the crisis is to increase material production" were also uttered by previous prime ministers. We have heard them so often that, although they represent reality, they are a perfect part of electoral rhetoric.

We all know too well from experience that our reserves of wheat, sunflower seeds, soya bean, sugar, milk, butter, and edible oil are less than satisfactory. However, what Mr. Vacaroiu does not promise, but, on the contrary, clearly warns the 940,000 unemployed of in the "Program" is that: "it is inevitable that demand for manpower will decrease." And briefly, in the 19 pages we find almost everything that we wretched Romanians could possibly desire: the introduction of an adequate system of credits, a reduction of inflation, the improvement of the infrastructure and the rest, but almost nothing about the way in which these goals will be attained. As a matter of fact, on Friday, 13 November, some pages put together under the exaggerated title of "The Program" were read in parliament. In reality, they represent only some kind of draft program or strategic orientation.

Mr. Vacaroiu himself, in a moment of frankness, warns that "this report does not pretend to be a program worked out for a period of four years" and it will be drafted only when the government team "is helped."

But who can help them? Was the FDSN not helped to become a majority party? Was it not elected by the votes of those who blindly believed in the slogan "Vote for the FDSN and you vote for Ion Iliescu"? In view of the serious problems of the country that the FDSN is duty bound to solve, it proves that it is not prepared to do so, and, much more serious, it does not even know how to do so.

"Subsequent solutions" also promised by President Ion Iliescu are not capable of convincing anybody that, by voting in a government—which does not even strive seriously to emphasize the privatization program—they will be so perfect as to make our beautiful dreams come true.

Program To Prove FDSN 'Incompetence'

AU1911194792 Bucharest COTIDIANUL in Romanian 16 Nov 92 p 2

[Article by Florin Gabriel Marculescu: "The Vacaroiu Nightmare Is Taking Shape"]

[Excerpts] On 13 November, the prime minister designate presented his program and the list of the new cabinet before the parliament. He performed both tasks superficially and with arrogant nonchalance. Let us not forget that Mr. Vacaroiu talked on behalf of a party which, split two ways or not, has been in power for almost three years and it was only natural that its ideas for the future should take the past into account and should offer us the prospect of continuing a reform, which theoretically started in June 1990 and practically managed to crush us under the burden of the "objective" costs of the transition. Costs that had been bloated ad absurdum by dilettantism, irresponsibility, and corruption. [passage omitted]

Displaying airs of a great connoisseur and ineffable expert, Mr. Nicolae Vacaroiu announced, "in an absolute premiere," the strategic goals of the "new stage," namely: to "radically change the configuration of the Romanian society"; to "place economic and social structures on totally new bases"; and to "introduce and generally distribute the mechanisms of the market economy." [passage omitted] Mr. Vacaroiu assures us that the past two and a half years were a continuous disaster. A disaster proven by figures. For example, the foreign debt is not $2.1 billion as Mr. Stolojan said two-three months ago, but exactly $3.8 billion. Who can you trust anymore? Mr. Stolojan swore the other day that our wheat reserves will last until next March. Mr. Vacaroiu thinks that the bread reserves will be gone by the

beginning of next January. Without realizing it, the candidate to the position of prime minister confirmed an open secret: Three years were wasted for nothing. In the past three years, we did nothing but plunge into lies, despair, and misery. [passage omitted]

After three years, Mr. Vacaroiu tells us that he finds it very hard to choose between the many solutions offered by experts to stop the economic decline and relaunch the economy, but he reassures us that we need not lose our heads because his team is "resolved to examine all possibilities in a systematic and complex way, so as to put together a governing program." [passage omitted] His winter program limits itself to "we will import everything we lack: fuel, milk, gas, butter, wheat, sugar, and so forth." With what money, nobody knows. At least one thing is sure: As of 1 January, the value-added tax will be introduced. [passage omitted] He delicately and very cautiously mentioned the indexation of salaries and pensions without going into details—just promises. As for his forecast for 1993, it will be a difficult, but key year for our future economic recovery. The production decline will be stopped in the second half of next year and the inflation will be forced into retreat. [passage omitted] Therefore, what we were not able to solve in three years, we will achieve in just one.

As for privatization, we were told that it is welcome only in trade, tourism, and the small-scale commodity production. As for large-scale privatization, that should still wait. The terms are vague and, if I am not wrong, the famous privatization law is on the point of being finally abandoned. [passage omitted]

However, whenever it comes to the state's intervention in the economy, his language perks us suddenly. The recentralization trends are clear. What other significance can be attached to the suggested system of governmental orders and contracts, through which the state can intervene on the market, in its double quality of buyer and competitor? The same can be said about the ideas of returning en masse to the famous law of economic contracts. The control will also be up to its mark, that is as inefficient as always. Well, the state just does not have the heart to give up its dominant positions as simply as all that. [passage omitted] It would have been naive to believe that Mr. Vacaroiu, brought up and bred at the obtuse school of socialist planning, would be able to take us out of socialism. He does not even intend to do that. At the most, he will give us some more speeches in his activist style. [passage omitted]

As for his ministerial team, it contains some strange names, to say the least. For instance, the names of Messrs. Ioan Oancea and Marin Cristea, both high dignitaries before 1989; Iulian Mincu, an intimate of the Ceausescu couple and distinguished defender of our calories in the 1980's, champion of our national hunger, and direct author of a program of scientific nutrition, unique in the world; Vasile Mois, the "hero" of several known press serials; Misu Negritoiu, an occult character boasting lots of business failures at the expense of the country; George Ioan Danescu, a general disguised in civilian clothes, the yet unproven coauthor of the University Square massacre, released from the Ministry of Interior and placed, after lots of high-level intervention, in the Ministry of National Defense; I am asking myself whether it is enough to put Petre Ninosu in charge of the justice system, just for having maliciously pleaded Mr. Iliescu's case in the court? How is it possible that a simple IIRUC [Enterprise for Maintenance and Repair of Computer Equipment] employee as George Angelescu, without any kind of experience, should be appointed to the Ministry of Youth and Sports? What is Mr. Mihai Golu doing at the Ministry of Culture? The damage he did at the Ministry of Education is not enough? With a few exceptions, the list seems to have been put together in moments of total euphoria. I am horrified to think that, as it is, without program and ministerial team, the Vacaroiu nightmare may get the confidence vote of the leftist majority in Parliament. After all, they are all good guys, with good connections! They will brilliantly prove the incompetence of the Democratic National Salvation Front [FDSN].

Vacaroiu Favors Continuation of Reform

AU1911191992 Bucharest TINERETUL LIBER in Romanian 16 Nov 92 p 1

[Article by Liana Simion: "Nicolae Vacaroiu: I Favor the Continuation of the Reform"]

[Text] On Saturday, 14 November, by a happy coincidence, we were able to talk directly with Prime Minister-designate Nicolae Vacaroiu at a time when a large audience was present. Initially, he was interested in the opinions on the program, or rather the draft government program presented in parliament on Friday, 13 November. We deemed it our duty to objectively report to him on the impressions of both the parliamentarians and, especially, the journalists. In addition, although we regret this rather unkind sincerity, we also provided details about the opinions of certain cabinet members proposed by Mr. Nicolae Vacaroiu. In turn, the prime minister-designate confessed to us: "I want you to know that I accepted the nomination to this position a few days later, after weighing things, but I also set certain conditions. I told them that there are certain points in the platform-program of the Democratic National Salvation Front with which I cannot agree. I am not the advocate of returning to former methods of leading Romania. I explained to them why I favor the continuation of reform. I am very determined in this respect! I support the complete privatization of sectors, trade, and tourism, which, under the current circumstances, may become the driving force of the reform. I think I have identified certain areas in which it is imperatively necessary to speed up the application of the reform, because there is no other way. This morning, for instance, Senator Adrian Paunescu called to criticize me because I did not speak of the plan and other such things when I presented the government program. I want to be very

well understood: I am not the advocate of any socialist-type of guidance of the Romanian economy." That is all about Mr. Vacaroiu for the time being. A lengthy report will follow when he will grant the promised interview.

Melescanu Emphasizes Need for European Integration

AU2011110092 Bucharest ROMPRES in English 0915 GMT 20 Nov 92

[Text] Bucharest, ROMPRES 20/11/1992—"I think we are passing a difficult period. We have to find our role and place within Europe and, at the same time, to approach in a special manner the ensurance of our security," is the opinion of the new Foreign Minister Teodor Melescanu in an interview granted to the daily DIMINEATA. Mr. Melescanu appreciated that "we have found ourselves—through the overnight breaking up of structures—in a situation which made us more vulnerable than other countries had been or are at present, and I think at the West European countries which are enjoying a more structured system. Moreover, I think a change of view is taking place and in the current period it is very hard to take a final position against our enemies or our friends, because they would probably change themselves and we expect them to change. The main way through which our security has to be ensured is the integration within the West European structures of security for other structures are nonexistent. This implies a rapid joining of the common market which presumes a system of political renegotiation and an active participation at the NATO and the Union of West Europe meetings," said the interviewee. "What I think is that presently the greatest enemy of Romania is represented by the xenophobic, revanchist and ultranational tendencies which unfortunately are more and more present in certain countries, the neighbouring ones included. I think this is the greatest threat which Romania will be confronted with," said the Romanian diplomat.

Mr. Melescanu showed that Romania's enemies "are reflecting certain older contradictions and a change of place for confrontations. That is why the instruments of the past for the extinction of conflicts are no longer useful. We have to understand that the fact that the truth is on our side is not enough. Now the contradictions are different, while the threats for our security are different as in the past." Mr. Melescanu expressed his confidence that "Romania will win the clause because the ultranationalist tendencies which are finding their way in the state ideology is not only our concern. Undoubtedly, we are the victims of the ultranationalist tendencies manifested in other countries. But I want to stress that we are not the only country in the area which suffers from these tendencies. West Europe too started to realize the fact that such policies are representing the main threat for stability and security," said Mr. Melescanu.

Outlines Diplomatic Priorities

AU2011133492 Bucharest ROMPRES in English 1051 GMT 20 Nov 92

[Text] Bucharest, ROMPRES 20/11/1992—Answering a question by ROMANIA LIBERA referring to the priorities of the Romanian Ministry of Foreign Affairs, Minister Teodor Melescanu, the first postwar Romanian foreign minister to have been promoted to office from among the staff of that very ministry, stated: "the Romanian Foreign Ministry will focus on the defence of Romania's independence, sovereignty, unity, and indivisibility, continuing the actions devoted to its integration in the Euroatlantic economic, political and security bodies, for the definition of the CSCE future action as warrantor of security of all participant states and promoter of cooperation for democracy, prosperity and equal rights in point of security. Parallel to the demarche for our country's integration in the European structures and institutions, priority will be also given to the development of Romania's bilateral relations with the West European and North American countries, with the neighbour countries and those lying in the same geographic region, to which our country attach special importance. Our whole activity will be subordinated further to supporting the continuation of the reform and the consolidation of the state of law in Romania.

"The provision of requisites for the reunification of the nation inside Romania's historical, natural frontiers, will be a constant coordinate of our efforts, parallel to the assertion of the Romanian culture on an international plane and the promotion of a new, open attitude toward the Romanians living outside the country's frontiers.

"Continuing the experience of the Foreign Ministry consultative board, the proceedings of which are participated in by party leaders or members of leaderships of political groupings concerned with international relations, professors, other experts, we will pursue in the articulation of the orientations of the Romanian foreign policy to attract a widest array of political forces, the achievement of wide consensus and the promotion of a national policy on an external plane."

Beginning of Typhoid Epidemic Reported

AU1911165492 Paris AFP in English 1651 GMT 19 Nov 92

[Text] Geneva, Nov 19 (AFP)—The beginnings of a typhoid fever epidemic have been observed in Bosnia-Hercegovina, the World Health Organization [WHO] announced here Thursday [19 November].

Some 25 cases have been detected in the war-torn former Yugoslav republic, but this figure is considered well below the real incidence of the disease, the WHO said.

The WHO representative in Zagreb, Sir Donald Acheson, said the outbreak in Bosnia was "almost certainly" due to infected water in Jajce.

The water of several contaminated springs in the region had been used as an alternative supply because of cuts in the drinking water system due to the fighting, the WHO said.

UN Says Overflight Ban Still Being Violated

AU1911165892 Paris AFP in English 1652 GMT 19 Nov 92

[Text] Zagreb, Nov 19 (AFP) - A U.N. ban on military flights over Bosnia-Hercegovina is still being violated, U.N. peacekeeping forces spokeswoman Shannon Boyd said here Thursday [19 November] at a press conference.

U.N. monitors were unable to detect all flights despite having 34 military observers at eight airports in the rump Yugoslav state of Serbia and Montenegro, and three in Bosnia—including the northern Serb stronghold of Banja Luka—said U.N. force deputy commander General Robert Gaudreau.

Gaudreau, speaking at the same news conference in the Croatian capital, said it was particularly difficult to monitor sorties by helicopters which could take off from "anywhere" and fly extremely low.

Bosnia's landscape was "ideal" for this type of flying, he added.

Serbs Reportedly Using Russian 'Mercenaries'

AU1911180992

[Editorial Report] Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian at 1400 GMT on 19 November carries in its regular 35-minute newscast several reports on the continuous fighting in the republic.

Reporting from Brcko, Hamid Deralic says that "at 0820, the Serbian-Chetnik artillery began intensely pounding the free territory of the Brcko commune, without sparing civilian targets." He says that "at 1205 an air raid alarm was sounded in Brcko. The radar system of the 108 Brcko Brigade registered the takeoff of fighter aircraft of the Yugoslav Air Force."

The Gradacac Information Center reports on "fierce shelling" and "infantry fighting along the whole front line." The reports says that "an air raid alarm was sounded in Gradacac at 1200. An aircraft of the Serbian aggressor army flew over the town, coming from the direction of Bosnian Krajina toward Doboj, Gracanica, Gradacac, and Brcko, and then flying back to Banja Luka."

In his report from Mostar, Izudin Sehovic says that "yesterday, near the Mostar hydroelectric power plant, the Serbian-Montenegrin terrorists fired two shells at the UNPROFOR [UN Protection Force] convoy, and hit one vehicle. Fortunately, no one was injured in this attack, but the sheer act says it all about the audacity of the aggressor who, on top of all its blatant violations of the agreed cease-fire, is now in the business of attacking UNPROFOR, which negotiated the cease-fire in the first place."

Borka Rudic reports from Konjic on "the chetniks almost continuously pounding civilian targets with heavy artillery for the last 24 hours."

Reporting from Tuzla, Salih Brkic says "at 1150, the chetnik tanks fired several destructive projectiles at the city," and then "whether by coincidence or not, several minutes later an alarm was sounded again in Tuzla, but this time it was the air raid alarm. According to the Bosnia-Hercegovina Army Second Corps' Command in Tuzla, after taking off from the Banja Luka airport, the aggressor's aircraft flew over Gracanica, Tuzla, (?Spionica), Maglaj and Tesanj, but it did not attack. This is probably all part of the reconnoitering prior to new attacks, since last night helicopters were noticed flying in the Gracanica area toward the chetnik strongholds at Mt. Ozren."

In his report from Tesanj, Ramiz Brkic talks about "shelling of our defense positions from tanks and howitzers," and "infantry fighting." He says that "despite the fact that the chetniks are suffering the greatest losses in this region, they are still regrouping new forces, mostly mercenaries from Russia, Serbia and [word indistinct]."

The announcer then reads an account of the republic's situation that was compiled by the Press Center of the Bosnia-Hercegovina Army. It says that "in most regions in the republic, the Bosnia-Hercegovina Armed Forces are gradually taking over the initiative, and although the aggressor's attacks on Gradacac, Olovo, Konjic, and Karaula are still fierce, the enemy operations are generally weakening. During the last few days, the defenders have had some marked victories in northwestern and eastern Bosnia, while the aggressor's offensive against Tesanj has definitely been stopped. This put an end to the enemy operation called Last Chance."

Bosnian Serbs Threaten War With Croatia

LD1911215792 Belgrade TANJUG Domestic Service in Serbo-Croatian 2018 GMT 19 Nov 92

[Text] Stolac, 19 Nov (TANJUG)—Brigadier General Milivoj Petkovic of the Croatian Defense Council stated today, during a meeting with representatives of the

Hercegovina Corps of the Serb Republic's Army, that Croatian Defense Council units are launching combat operations only in the area from Zavala, in the northern part of Popovo Polje valley, to the town of Jablanica in the Neretva river valley.

The meeting was held during the afternoon in no-man's land near Stolac, under the auspices of the UNPROFOR [UN Protection Force]. In the presence of General Martinez, the ranking UNPROFOR representative for Hercegovina, it was confirmed that the occupied territory of the Trebinje municipality from Zavala to the border with the Federal Republic of Yugoslavia is controlled by regular units of the Republic of Croatia, which are launching combat operations from there.

Colonel Radovan Grubac, commander of the Hercegovina Corps of the Serb Republic's Army, stated after today's negotiations that he sent an ultimatum through Martinez to the Croatian Army, demanding its withdrawal from the occupied territory belonging to Trebinje municipality. Grubac said, "If this does not happen soon, we will have a war between the Serb Republic and the Republic of Croatia."

The representatives of the Hercegovina Corps today launched an initiative for a meeting, sponsored by UNPROFOR, between Trebinje and Dubrovnik mayors and between Col. Grubac and Croatian Gen. Janko Bobetko.

Serbian Forces Reportedly Reopen Corridor

LD1911202692 Belgrade TANJUG Domestic Service in Serbo-Croatian 1701 GMT 19 Nov 92

[Excerpt] Belgrade, Bosanski Samac, Banja Luka, 18 Nov (TANJUG)—This morning traffic was restored along the Posavina section of the corridor linking Semberija and Bosnian Krajina, although people are advised to exercise extreme caution, TANJUG's correspondent from Bosanski Samac reports.

Caution is advised because artillery battles are still raging today in the area of the villages of Grebenica and Brvnik, Serbian military sources told our correspondent.

Serbian military sources say the Semberija-Bosnian Krajina corridor was closed yesterday to traffic due to fighting in the vicinity, although the corridor was not blocked. According to the same sources, the north Bosnian corridor is being attacked from positions held by regular units of the Croatian Army from around Orasje, while artillery shells are being fired from Zupanja Municipality from the Croatian bank of the Sava.

The Press Center of the 1st Krajina Corps reports that the Republic of Croatia's artillery stationed in the area of Gradiste, Bosnjaci, and Rajevo Selo, in Zupanja Municipality, is constantly shelling Serbian positions around Orasje.

According to our correspondent from Banja Luka, there have been no major infantry attacks in this area today. Traffic along the Semberija-Bosnia Krajina corridor is moving, although—as the press center of the 1st Krajina Corps stresses—one travels at one's own risk. [passage omitted]

Serbs Submit New Proposal for Constitution

LD1911174992 Belgrade TANJUG in English 1519 GMT 19 Nov 92

[Text] Belgrade, Nov 19 (TANJUG)—The Bosnia Serbs on Thursday [19 November] submitted to the Geneva Conference on Yugoslavia a draft constitution proposing the formation of a union (confederation) of three ethnic states of Moslems, Serbs and Croats within the existing borders of the former Yugoslav Republic of Bosnia-Hercegovina.

News agencies report that the foreign minister of the Serb Republic in Bosnia, Aleksa Buha, informed the chairman of the working group on Yugoslavia within the Geneva conference, Marti Ahtisari, about the new draft constitution.

The Serb Republic was proclaimed by the local Serbs within the administrative borders of Bosnia in areas where they are in the majority and in protest against the secession of Bosnia from Yugoslavia and the creation of a unitary Bosnia where they would be exposed to outvoting.

The new proposal is a combination of the "Lisbon paper"— a draft constitution created on March 18, 1992 under E.C. auspices, and a draft submitted by the cochairmen of the Geneva conference, Cyrus Vance and Lord David Owen.

The Lisbon conference agreed on the cantonization of Bosnia according to ethnic principles but, after Bosnia was prematurely recognized, the Moslems gave this up despite Serb disagreement.

The cochairmen of the Geneva conference, however, proposed that Bosnia should be organized as a federation divided into some ten regions, but not according to the ethnic principle.

President of the Serb Republic [of Bosnia-Hercegovina], Radovan Karadzic, recently told TANJUG that "the cochairmen are here to help us, not to impose solutions."

The Bosnia Croats, who also proclaimed their own state, Herzeg- Bosnia, within Bosnia's administrative borders, urge a federal Bosnia divided according to the ethnic principle.

Geneva conference officials believe that the Bosnia Croats are ready for a compromise in keeping with the Vance and Owen proposal.

Under international pressure, the Moslems gave up the idea of a unitary Bosnia and want a federation divided into 18 regions, but not according tm the ethnic principle.

Commentary Criticizes Efforts To End War

AU1911170792 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1400 GMT 19 Nov 92

[Commentary by Zijo Dizdarevic]

[Text] Realistically, the initiative by the Islamic countries for the lifting of the embargo on arms exports to Bosnia-Hercegovina could not have been adopted, because the support of key permanent members of the Security Council had not previously been enlisted. That demand should, however, be pushed forward again, not only out of principle but also for practical purposes. At the same time, the responsibility of the Security Council and the member states to achieve things that they themselves have decided on should be insisted. (?This approach) should also be used at the London and Geneva conferences.

It is obviously high time for an unimpassioned analysis of our international position and also time for the shaping of our strategic foreign affairs platform for a continuous offensive diplomatic engagement. Perhaps it is also time for putting together a White Book on the aggression against Bosnia-Hercegovina, which would be addressed to all key international organizations and presented to the international public at large. The institution of the White Book has particular weight in diplomatic practice. That document would contain the reasons for its publishing, information on the aggression and the aggressor, facts concerning the consequences of the aggression, the behavior of the legal Bosnia-Hercegovina authorities, a critical review of the international engagement, and the epilogue on the dangers of tolerating aggression—not only in our case—and the possible modes of action that the international community could undertake.

But whether there is a White Book or not, the authorities must maintain their capacity for effective international activities. We are at war, true, but that is the exact reason why it is necessary to conduct a systematic struggle for liberation on the international level as well. Personnel changes in the government are most certainly important. It will be bad news, though, if the decisions on personnel are guided by party and ideological preferences at the expense of the quality of the people. [Words indistinct] information activities in international affairs, which is the precondition for the synthesis and definition of these activities. It is also important to organize information activities aimed at the international public, based on modern standards as the influence of the mass media is immense.

In the meantime, Bosnia-Hercegovina should rely on those who really want to help. In Europe—that is, Germany—but the readiness of the Islamic countries is also evident. Of course, that does not mean that we should now reduce our foreign affairs engagements. On the contrary, we need a network of specific international activities, particularly aimed at the members of the Security Council and the EC. We have found out the truth about Europe, but that is neither here nor there. Whatever it is like, we still have to have a continued dialogue with it, no matter how laborious it is. Europe is our fate, and that is one truth we will have to learn to live with.

No Agreement Reached in UN-Krajina Talks

AU1911203692 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 19 Nov 92

[Report by Radmila Kablar]

[Text] Cyrus Vance and David Owen, cochairmen of the peace conference on the former Yugoslavia; UNPROFOR [UN Protection Force] Commander Satish Nambiar; and head of civilian affairs Cedrick Thornberry held talks today in Knin with representatives of the Krajina authorities.

The topic of the talks was implementation of the peace plan and the connected problem of demilitarization, and the latest UN Security Council resolution and its consequences for the republic of Serbian Krajina.

In a short statement following the two-hour talks, Mr. Vance said that many issues had been discussed, but he said he could not say that any kind of an agreement had been reached. Asked by a reporter if the two gentlemen had come for a visit to the Croatian region of Krajina as the Information Service of the United Nations had announced, Lord Owen said: Yes, Krajina is part of Croatia, and it deserves a special status. That is the view of the international community.

Zdravko Zecevic, Krajina prime minister, stated that today's talks were merely informative, and the only result was an exchange of opinion. We proposed to Vance and Owen that direct negotiations be held with the Republic of Croatia. We will not surrender our views because the republic of Serbian Krajina is a fact, Zecevic said. The peace process in the republic of Serbian Krajina has come to a stalemate at the moment, and the only conclusion of today's talks is that the joint commission of the republic of Serbian Krajina and the Republic of Croatia should continue work under the auspices of UNPROFOR. There will be attempts to resolve the disputed issues at this level, Zecevic said.

Boban: 'Only the Croats' Consistent in Demands

93BA0166C Zagreb NOVI VJESNIK in Serbo-Croatian 25 Oct 92 p 3

[Interview with Mate Boban, president of Croatian Community of Herceg-Bosnia, by Mario Marusic; date and place not given: "No One Will Force Croats Into Any Sort of Yugoslavia!"]

[Text] *The Main Staff of the Armed Forces of B-H [Bosnia-Hercegovina] assumes that it has the right and power to decide the fate of B-H in the political sense and to have authority over those against whom they fought in the B-H region until only yesterday. The statement made by Izetbegovic can only lead to a flareup of the conflict between Muslims and Croats, and I believe that he will refute that statement.*

Events in Bosnia-Hercegovina line up one after another like on a roll of film. And instead of approaching an outcome to the crisis and an end to the bloody drama of war—despite the continuous negotiations and talks between Croats, Muslims, and Serbs, together with EC and UN representatives—new events and disagreements come to light almost every day, resulting in an ever greater number of victims and a continuation of the horrors of war.

Despite his around-the-clock and overloaded schedule of work, talks, and meetings with a wide range of delegations and people from civilian and military authorities, representatives of UNPROFOR [United Nations Protection Force], UNHCR [United Nations Office of the High Commissioner for Refugees], and UN observers, Mate Boban, the president of the Croatian Community of Herceg-Bosnia nevertheless found time for NOVI VJESNIK and its readers, and he put forward some of his views and ideas concerning the latest political and military events on the soil of and around the Republic of Bosnia-Hercegovina.

[Marusic] What is actually happening in Geneva, and what is the biggest stumbling block to an agreement on the internal structure of B-H? Do Europe and world factors continue to support Croatian policy in Bosnia-Hercegovina?

[Boban] As far as the Croatian proposal on the internal structure of B-H is concerned, it has been consistent from day one, so that the new composition of the conference on B-H has taken it seriously, just like the old one, and given it a favorable assessment. Not only do Europe and world factors continue to be close to the political option that we advocate in B-H; they also recently confirmed this through their demand in terms of showing all three sides the way to divide central authority and the authority of the constituent units. But on that occasion we once again saw the extremism of Muslim centralism and the Serb demand for total localism by way of the constituent units, so that it was shown once again that only the Croats are consistent in their political option, sincere and with a rational proposal, and that is greatly valued. That is why I was invited back to Geneva last week, where at the request of the Conference I explained our positions in a little more detail.

[Marusic] Can you comment on the actual value of the Geneva meeting between Izetbegovic [Bosnian president] and Cosic [Yugoslav president]? How much influence do Dobrica Cosic and Milan Panic [Yugoslav prime minister] have over events in the so-called FRY [Federal Republic of Yugoslavia], and what are their chances in relation to Milosevic [Serbian president]?

[Boban] It is hard to say anything concrete about the scope of Izetbegovic's talks with Cosic. The only thing that is obvious is that we can interpret Izetbegovic's arrival at the talks as his consent to full coordination of negotiations on peace in the former Yugoslavia under the sponsorship of international bodies and institutions. But as far as the situation in the so-called FRY is

concerned, and the increasingly open conflict between Cosic and Panic on the one hand and Milosevic on the other, I think that it will be very hard for Milosevic and his followers to seize power, given the increasing pressure coming from democratic forces and the tightening circle of European and world policy around him. Still, the recognition of Cosic and Panic by international factors as representatives of the so-called FRY points to the fact that those two men are the forces and foundations through which world policy will try to carry out its task of halting war and destruction in the Balkans.

[Marusic] What is your assessment of Izetbegovic's recent visit to Hercegovina and the agreement there on establishing a joint command for the HVO [Croatian Defense Council] and the Army of B-H? It appears that little of what was agreed to is being implemented?

[Boban] That talk that I had during Izetbegovic's visit to Hercegovina was actually a continuation of our talks based on the basic document, the Friendship Agreement between Dr. Tudjman [Croatian president] and Izetbegovic, but unfortunately very little of it has been actually operationalized. Although it was ultimately agreed that a joint command structure should be formed (which would have power over military operations, while command functions in units would be in keeping with soldier participation), and although the prevailing situation in fact "demands" that this be done, there has been nothing more than promises. It is clear that Croats and Muslims have their own special interests, but it is necessary to find the point of convergence and mutually satisfy these interests, but I dare say that it is not our fault that this is not being done and accomplished.

[Marusic] Several very significant decrees and regulations were enacted at a session of the Presidency of the Croatian community of Herceg-Bosnia in Travnik?

[Boban] The texts enacted in Travnik are the next step in the continued policy of organizing and legally standardizing life in the defended and liberated region. These are significant documents, and I would give particular emphasis to the establishment of a judicial system and the unification of all Croatian people and territory into one Croatian community, which also represented formal affirmation of our unity in the organization of Croatian life in B-H, defense, and all other areas. The Sava basin? Because some of the people did not realize in time that we are a unified body, and to a large part because of the lack of organization and enormous technical superiority of the chetniks, part of the Sava basin ended up in its current situation. But we are certainly on the way to a rapid and efficient organization of executive, administrative power and formations, and we will bring the Sava basin back under the wing of the Croatian national community in B-H.

[Marusic] The latest events in the Lasvan Valley have seriously undermined previous relations between Croats and Muslims. Izetbegovic blames "extremist Croats who want a state within a state..." for blockading the HVO's road out and for the large number of dead in Novi Travnik, Travnik, and Vitez?

[Boban] Although it is hard to draw conclusions until all the relevant facts have been established, it is incomprehensible that someone would attack his own friend, benefactor, defender. Every breath of life in Bosnia that has gone out into the world or arrived in Bosnia has been by way of the HVO, the region that is defended by HVO units and by Croatian blood. The Main Staff of the Armed Forces of B-H assumes that it has the right and power to decide the fate of B-H in the political sense and to determine authority with those with whom they had no ties whatsoever in building and against whom they fought in the B-H region until only yesterday. The statement made by Izetbegovic can only lead to a flareup of the conflict between Muslims and Croats, and I believe that he will refute that statement. But it showed that the conflict was staged and that such conflicts continue to be possible for the purpose of forcing Croats to renounce their political option of a B-H set up as a state of equal nations. We successfully responded to the greater force, and we will respond to any force, but we will invest our primary strength in political dialogue. At Izetbegovic's suggestion, we have formed a mixed commission, which should have already been on the scene, determining facts and bringing those responsible to justice, and trying to see to it that something like this never happens again. But it is a shame that future relations and trust will be undermined by dead people, civilians, and members of HVO units.

[Marusic] While passing through Zagreb, on your return from Geneva, Izetbegovic invited you to go to Sarajevo in order to solve all the problems. Are you going to Sarajevo?

[Boban] Once I have learned what I will do there and what sort of result I will achieve, then I am ready to go, and not only to Sarajevo, but also to the ends of earth in order to stop the war and agree on the structure of B-H. I do not believe that it is necessary to go to Sarajevo right now, even though Izetbegovic proposed that, because the other day we talked for seven and a half hours in Split and discussed everything. But if it is necessary, in terms of a positive result—I will go! But in the sense of previous talks and their implementation....

[Marusic] The goal of the putsch by KOS [Counterintelligence Service] forces in Sarajevo was probably an attempt to create some sort of confederation between B-H and the so-called FRY?

[Boban] One might suspect that possibility lurking behind all of that, but back in November 1991, when we established the Croatian Community of Bosnia-Hercegovina, we said that we would respect the legally elected government as long as B-H is independent and sovereign. There is no force and power in existence that would lead the Croatian people and the Croatian national territory in B-H into any sort of Yugoslavia!

[Marusic] There are less than two months remaining before Alija Izetbegovic's second one-year term as head of the Presidency of B-H expires. Various conjectures as to his successor have begun circulating. What sort of solution do you foresee?

[Boban] The Presidency of B-H is a constitutional body, and every change in it must be based on the B-H Constitution. The HDZ [Croatian Democratic Community] of B-H will decide on the president of the Presidency of B-H through its proposal, if it comes to that situation. One should also consider the case of forming a council of ministers, which we proposed back in May to EC representatives for them to offer the two other parties, as a unified body to govern Bosnia-Hercegovina until the war is over. Although our proposal was accepted by the Conference on B-H, the Muslim and Serbian sides have yet to do so.

[Marusic] How do you interpret the occasional disagreements between the Presidency of the HDZ of B-H, the HVO, and the Croatian Community of Herceg-Bosnia? How can they be overcome, thus enabling the Croatian people to make all their interests and rights a reality?

[Boban] The HVO, as a provisional executive authority and as an organizational structure in the sense of the defending Croatian people in Bosnia-Hercegovina, is a product of HDZ policy. Similarly, the Croatian Community of Herceg-Bosnia is the demand, program, and goal of the HDZ, and here there is essentially no disagreement whatsoever. It is true that the HDZ of B-H, because of the desires of individuals, tried in an illegitimate and illegal way to pursue further HDZ policy in B-H. Naturally, that was not possible. At a meeting of the Main Committee, a decision will be reached on a new convention, according to which Croats organized in the HDZ will know how to elect a leadership that will continuously and consistently build the known HDZ policy, the policy that the Croatian people in B-H have said they support 100 percent, first in the elections and then by following this policy through the HVO and Croatian community of Herceg-Bosnia.

Daily Says Ethnic Albanians Expelled

LD1911191092 Belgrade TANJUG in English 1833 GMT 19 Nov 92

[Text] Pristina, November 19 (TANJUG)—Croatia has expelled from its territory a group of 170 ethnic Albanians from the Yugoslav Province of Kosovo-Metohija and more expulsions are expected, the Albanian-language daily BUJKU, published in the province, wrote on Thursday [19 November].

The paper said that the deported ethnic Albanians had to to pay around 700,000 Deutsche marks to the Croatian police, which issued them with receipts saying that the money had been taken only temporarily.

The paper quoted the Albanian daily RILINDJE DEMOKRATIKE as saying that the expelled group arrived in Durres, a port in northern Albania, two days ago. The Croatian police arrested most of the group near the Croatian coastal towns of Rijeka and Opatija. They were kept for a while in a jail in Rijeka and then transferred under escort to the port of Split and deported to Albania.

Judging by the statements the group gave to the Albanian authorities in Durres, the Croatian police, which had carried out the "cleansing" operation, claimed that the Croatian authorities had nothing to do with it and that the group was deported on the order from the Democratic Alliance of Kosovo (DSK). The group claimed that Adil Bujanica, allegedly president of the DSK branch in Croatia, had organized the deportation.

The DSK, which is headed by Rugova, rallies political parties in Serbia's Province of Kosovo-Metohija. The alliance urges secession of Kosovo-Metohija from Yugoslavia and Serbia and its annexation to neighbouring Albania.

Croatia, which itself seceded from Yugoslavia last year, has openly supported the ethnic Albanian secessionists in Kosovo-Metohija.

Federal

WEU Ships Expect Permission To Fire

AU1911123992 Paris AFP in English 1237 GMT 19 Nov 92

[Text] Brussels, Nov 19 (AFP)—European ships of the Western European Union [WEU] will probably get orders on Friday [20 November] to shoot if need be on sanctions-busting vessels bound for Montenegro, WEU Secretary-General Wim Van Eekelen said here Thursday.

He told a press conference that senior defence and foreign ministry officials of WEU countries meeting in Rome on Thursday were poised to agree on the "rules of engagement" of ships participating in the blockade of Yugoslavia.

The orders, which would almost certainly involve shooting on ships which ignore an order to stop for a search, would probably be cabled to the blockading flotilla after being endorsed by WEU ministers on Friday, he said.

The WEU defence alliance comprises nine European countries. It currently has five ships in the Adriatic ready to implement a U.N. decision to blockade Serbia and Montenegro, which was taken on Monday.

Armed Forces Accounts Reportedly 'Empty'

93BA0188A Belgrade POLITIKA in Serbo-Croatian 29 Oct 92 p 7

[Article by N. Trklja: "Committee for Defense and Security on Army Financing: Military Coffers Empty"]

[Text] *A need for 96 billion [dinars] to finance the armed forces to the end of the year; the program for transforming the Army over the next two years will be discussed later; the armed forces do not have a single dinar in their accounts.*

It is necessary to set aside 73 billion dinars for the transformation of the Armed Forces of Yugoslavia to the end of this year. Besides this sum, another 23 billion will be spent on the Army's everyday needs. However, a decision will be made on expenditures for the armed forces next year and in 1994 only after the adoption of a law on the armed forces and national security. In the meantime, according to the assessment at yesterday's joint session of the Committee for Security and Defense of the Federal Assembly, the armed forces will prepare long-term transformation plans for the next two or three years.

Practically speaking, this committee decision constitutes a proposal that the Assembly not enact a special law on financing the army transformation today, but rather that both current and other expenses through the end of 1992 be covered by rebalancing the budget. After debate centering on the army's difficult financial situation, the prevailing opinion was that a law on financing the transformation for 1993 and 1994 should not be adopted until other legislation is adopted, especially a law on the armed forces, and until stable sources of financing are established.

Since the republics were against altering the current ratio for distributing the excise tax (60:40 in favor of the republics), the Federal Government proposed a formula for sticking to the old plan but making up the shortfall of 23 billion through other federal sources. After all the calculations were completed, it was concluded that both the transformation and the regular expenses of the armed forces should come from budget consumption. Thus, the armed forces will get a total of 143 billion by the end of the year, whereby 46 was planned in August, 23 is its share from the rebalancing, and 73 billion is under the transformation item.

According to what was heard yesterday, the current financial situation in the Armed Forces of Yugoslavia is extremely serious. There is not a single dinar in the accounts, the coffers are completely empty, debts are mounting and exceeding the level of 40 billion, and 28 billion is owed to the economy. In three days, or to be more precise at the beginning of the month, there will not even be any money to pay salaries. In the words of General Danet Ajdukovic, expenses are largely exceeding the projected budget due to inflation, and 40 billion dinars are needed for monthly salaries, food, and medical supplies alone. Besides expenses, Ajdukovic said, savings and rationalization measures are also "in force," but the latest rebalancing of the budget only ensures survival.

Deputy Tomislav Nikolic mentioned the case of military housing being sold at low prices to people who then resell this housing after 15 days, after which they leave Yugoslavia for their home republics.

The majority of the committee members agreed that it is necessary to help the armed forces, which has fallen into a money crunch—five days ago it spent the last of its funding.

Transformation of Yugoslav Army Detailed

93BA0177E Belgrade VOJSKA in Serbo-Croatian 5 Nov 92 p 3

[Article by Miso Bojovic: "Changes in Essence and Appearance"]

[Text] In the General Staff of the Army of Yugoslavia [VJ], they have projected a new essence and public "face" for the echelons of our defense. The identity of the VJ will in the future be characterized by efficient organization, modern equipment, fire efficiency, freedom from ideology, staunch patriotism, high professionalism, younger command personnel, broad education and personal culture of the officer corps, modern visual appearance, etc. About 939 billion dinars at present prices are supposed to be appropriated for these

changes up to the end of 1994. The main obstacles to realization of this concept are seen in the difficult financial situation in the Army treasury and also in resistance in society to military organization itself.

On the basis of what we have learned and analyses of messages in the foreign and Yugoslav media, it can be said that public opinion about the Army of Yugoslavia is gradually changing from adverse, from the mistakes and relapses of the former army, to a positive one. By contrast with the Yugoslav People's Army [JNA], which, as it has been portrayed in the public, had an unjustifiably positive public image, which was emphasized, this time we need to bring the concepts governing the internal nature of the new Army into line with the public's conception of it. In this way, we would avoid creating illusions once again in the public about the quality of the new military organization. Are changes actually taking place in the identity of the Army and its public image?

The conception of defense in the former SFRY was based on the Marxist conception of the "armed population," and it was embodied in the form of nationwide defense and social self-protection. This present social crisis has demonstrated the weak point of that conception in a multinational community. Instead of the so-called socialization of defense policy and practice, now the government has exclusive jurisdiction in this area. Instead of the half-trained armed citizens, we will have a conception of a professionally organized standing army with people who know their job, like the paratroopers and members of special military teams. So, essential changes have been made in a conceptual sense. The strength of the Yugoslav People's Army in July 1991 was 165,592 men and about 40,000 officers. The peacetime strength of the new Army of Yugoslavia will be half of that, between 100,000 and 120,000 members, 50 percent of whom would be professionals. This ratio will be achieved gradually, which means that in the first phase 17,640 soldiers will be recruited under contract as the professional nucleus. At the same time, after the personnel transfusion there will be a surplus of 3,500 officers and noncommissioned officers and 17,000 civilian employees. For all the difficulties of a political and economic nature, the contours of the new Army are well-known, and we expect it to take official form in 1994. All of this will, of course, be facilitated by changes in legislation, and the foundation will be laid by adoption of the law on the Army of Yugoslavia late this year.

The transformation has drawn a line of demarcation as to command and control powers between the Defense Ministry and the General Staff of the Army of Yugoslavia. Instead of the former four military districts, there are now three armies, and the 18 commands at the operational level are being reduced to only 11. Territorial defense and its staff has been abolished, and the Partizan echelon has been disbanded. Some units have been moved to new locations. Fifty districts and sections, 10 new border units, and 40 patrols are being formed. The University of the Army of Yugoslavia, which will include all the military academies of the former JNA, has been organized in the sphere of military education and training. The new military school system should meet present-day professional requirement needs and the capabilities of society and the Army, and it will train only those experts who cannot be recruited from civilian training and educational institutions.

As for the ethnic composition of the new Army, the immense majority is now made up of Serbian and Montenegrin recruits and officers. This is no longer a multinational Army like the former Army, but Serbian and Montenegrin Armed Forces, although there are also members of the ethnic minorities in them. The fighting spirit and morale of the Army of Yugoslavia is no longer based on categories such as "brotherhood and unity," Yugoslav patriotism in the broader and narrow sense, and the other values that originated in self-management socialism. It is founded on patriotism and the best military traditions of the Serbian and Montenegrin peoples, on professionalism and devotion to the state. Politics has already abandoned the ranks of the new Army. In their public statements, representatives of the Army now limit themselves exclusively to matters of security, defense, and the armed forces.

The Army of Yugoslavia is taking over the constructive experiences of the former Army, such as the combat actions carried out successfully in Krajina, on Kupres, the landing at Capljina, the victory of units formed from high-ranking professionals, etc. It rejects the mistakes of the Yugoslav People's Army manifested in the "start-stop" strategy and cases of manipulation by the top military leadership. On the contrary, it must do everything to completely elucidate, for example, the Opera and Florist scandals and the arrest of the former generals. Similarly, it is also evident that the new VJ General Staff is distancing itself from the negative connotations of the activity of certain retired officers in the media, whether they have been dismissed or proved not to be ready for war.

Because national armies have been formed in the secessionist republics, there is a need in the Army of Yugoslavia to bring the command and officer corps into line with the ethnic structure of the population in society and the body of recruits. In some of the media, this has been maliciously referred to as "ethnic cleansing." What is more, the names of units and garrisons are no longer coming from the Partizan-communist value nomenclature, but are being established according to important events and well-known figures from Serbian and Montenegrin history. Changes have also overtaken the military flags, marches, etc. The new prototype of the Army, from which the other visual features derive, is expected only after the basic symbols of the state are established. The shortage of money in the Army budget is making it more difficult to introduce new uniforms and other visual signs of recognition.

It can be said, then, that creation of the projected positive public image of the Army of Yugoslavia already

involves numerous and essential conceptual, personnel, and material changes in its internal nature. Accordingly, the General Staff of the Army of Yugoslavia, taking advantage of the program for informing the public about the plan of activities, has defined public relations which will in future be characterized by a high degree of openness and communicativeness in two key areas of communication—mass communication and mutual communication. It is therefore not valid that the Army has done nothing concerning transformation. It has after all already created the basis which will allow it through future more radical and rapid changes of its identity, with support of the media, federal authorities and their news and propaganda services, to form a clean and honorable public image as a modern military organization over the next several years.

Modernization of Air Defense in Near Future

93BA0180B Belgrade VOJSKA in Serbo-Croatian 5 Nov 92 pp 13-14

[Report by Dragan Petrusic on interview with Colonel Slavko Biga, M.A., chief of the Rocket Artillery Unit of the Air Defense Administration of the Air Force and Air Defense: "Unified Air Defense System"; place and date not given]

[Text] It is quite certain that an enemy would begin armed aggression against our country with an air operation, most probably with "strikes from a distance" and thus inflict a decisive blow on us, break our resistance, and achieve his objective in the shortest time. That is why so much importance is being given in our society to the air defense system.

That fact, and 10 November, which is the day dedicated to the branch which Air Defense personnel modestly celebrate every year, provided the occasion for a conversation with Colonel Slavko Biga, M.A., chief of the ARJ [Rocket Artillery Unit] of the PVO [Air Defense] Administration of the RV i PVO [Air Force and Air Defense].

Decisive Influence

The advantage of one of the belligerents in the initial period or the losses, which could be decisive for the outcome of the war as a whole, depend greatly on the strength of the air defense system, Col. Biga said.

In order to strengthen that system in the ARJ PVO branch, we started first by reinforcing and standardizing units; forming a specialized unit—the PVO Corps as a unified system of air defense on the space of the FRY [Federal Republic of Yugoslavia]; and then arming them with new missile and artillery systems for territorial and field PVO; as well as professionalization of personnel, especially in missile units.

These are very complicated tasks requiring sizable financial resources. But that is the only way to create a strong and effective air defense system that will be able to defend against present-day offensive weapons from the airspace, Col. Biga stressed, adding that we must always bear in mind that the consequences would cost our society far more than equipping units with a more up-to-date air defense system in good time.

Almost all Air Defense forces and weapons were successfully evacuated from the territories of the former republics of the SFRY except a minor portion which fell to the enemy when certain garrisons fell, and a portion also remained on the territory of the Serbian Republic and the Serbian Republic Krajina. We are accordingly in a position to defend the third Yugoslavia, that is, a considerably smaller territory, with almost the same Air Defense forces.

"The backbone of our air defense system," Col. Biga said, "is made up of the forces and weapons of the PVO Corps, together with fighters, while other units supplement air defense according to their purpose and combat capability. In that way, the preconditions have been created for the functioning of a unified air defense system, and the requirement of 'airspace unified under one commander' has been achieved in command and control."

The subject of our interview did not conceal that in the branch which he heads there are also problems and difficulties. That is, armament includes missiles from the older generation coming to the end of their service life, although some of them have been modified and considerable improvements obtained. And then some systems do not operate the way they are expected to and are able to. It is a particular problem that present-day offensive weapons from airspace have achieved such a degree of efficiency and destructiveness that the air defense of small countries like ours is very difficult to organize successfully.

Nor is the manning of units with young soldiers satisfactory as yet, and Col. Biga is concerned in that regard. This needs to be dealt with systematically. A certain number of operators, attendants and launching ramps, gunners and drivers—will be soldiers under contract. They are expected to quickly become specialists at their work stations.

Especially because training in the units (because of these problems) is to be more intensive, especially combat training, the practice over many years in missile units of verifying the training of officers and men up to the regimental commander at least twice a year is also being continued. Within the branch, there will also be training to operate several systems or to do several jobs.

An effort will be made for young officers—especially in missile units, where the training for independent performance of duties in units is extremely complicated, it comes immediately after the training of pilots, to be trained in a time shorter than two to three years (that is, after schooling, as has been the case up to now).

Effective Action Against Targets on the Ground

The wartime experiences of the ARJ PVO have been negligible, almost symbolic when it comes to their particular missions, because the enemy did not possess strong air forces. The experience was considerably more meaningful in the effective action of antiaircraft guns against targets on the ground, especially 20- and 30-mm calibers, and also the experience gained in protracted and exhausting self-defense of the ARJ PVO when they were completely surrounded and at considerable distance from the front line. That is, certain of our units found themselves in a very difficult situation, in a complete blockade, exposed to blackmail and attacks.... There is no more difficult combat situation for the men and the unit. However, thanks to the high degree of professionalism, determination, and devotion, not one of our units fell into enemy hands or surrendered—Col. Biga is proud of his Air Defense personnel—how many ordinary men, officers, and soldiers there were who were small only in rank, but their hearts were brave and large. Then experiences in evacuation of units under diverse conditions, from planned withdrawal (insofar as that was possible) all the way to withdrawal under combat, as well as experience in the use of the larger ARJ PVO in air defense of significant facilities on the territory, combined with simultaneous defense of a segment of the front.

In the near future, ARJ PVO needs to be modernized and professionalized as an branch and brought into line with the overall system of air defense and the Army in general. It needs to be an important link in the unified PVO system, whose backbone is even now the PVO Corps, with the new unified missile systems of the territorial and field PVO, as well as the gun systems equipped with radar-computer devices which will be operated by highly professional personnel. And, of course, we cannot omit automation of command and control either.

So, the optimum fit between the trained personnel and up-to-date weapons and technology—Col. Biga presents his vision of the branch to which he belongs—as support to the staff work of command in the preparation and planning of combat operations, in the well-rounded system of command in the PVO, will guarantee more effective command and control. There will also be increased effectiveness of the PVO over the entire space of FR Yugoslavia.

The state of war in B-H [Bosnia-Hercegovina] and the threats of foreign military intervention give paramount importance to the PVO, because our country's security, as we have already said, will be threatened first from the air. That is why antiair combat, as one of the main elements of armed combat, should receive our particular attention, and we should give it the place it really deserves.

That is why members of the ARJ PVO branch and all those involved in air defense, especially commanding officers and unit commanders, should continuously make their contribution by building high combat readiness of the entire PVO system, because only in this way can we reduce the danger of attack from the air and have a deterrent effect.

[Box p 6]

From the Monograph of the ARJ PVO

The 1st Air Defense Regiment, whose purpose was to defend Belgrade, was formed by order of the Supreme Headquarters on 10 November 1944. That day is celebrated as the day devoted to the ARJ PVO as a branch, because its formation gave us a complete specialized air defense unit.

That regiment was the nucleus from which several large units later developed—air defense artillery brigades. The task of the first regiment was to defend the most important facilities in Belgrade (the only bridge on the Sava River, the main post office, the parliament building, the hospital complex, and so on), which it did effectively. Later, with guns obtained from the Soviet Union and those captured, it grew into a unit with 17 artillery batteries. To keep up with the development of present-day aviation, the need arose for more field air defense units, and in March 1945 three air defense brigades were formed—in Belgrade, Zemun, and Pancevo. Between January and March 1945, more than 1,000 Air Defense personnel were trained in PVO units.

Professional Selection in New Army Viewed

93BA0188D Belgrade BORBA in Serbo-Croatian 29 Oct 92 p 15

[Article by Borislav Solesa: "Emergence of New Armed Forces of Yugoslavia: Professional Selection Begins"]

[Text] *A need for 17,640 new professionals, while 3,500 current military personnel and 17,000 civilians are superfluous; the armed forces is a major debtor to the Federal Commodity Reserves; changed criteria for promotion in military service; activities surrounding the transformation are being coordinated by the commander of special units, General Mile Mrksic.*

Gen. Mile Mrksic, the commander of special units of the Armed Forces of Yugoslavia, has one of the key roles in the transformation of the Armed Forces of Yugoslavia. The creation of the nucleus of a professional army, as prescribed by the proposed Law on Transformation of the Armed Forces of Yugoslavia, does in fact give a primary role to members of special units, paratroopers, and military police, who in the past have been regarded as true professionals in our armed forces, as they are in all other forces in the world.

The selection of Mrksic as the officer in charge of synchronizing all the lines of this future military elite is in many regards logical and expected. The former commander of guard units, well-acquainted with all the

"specialists" in the military profession, has at the same time been a direct participant in the bloody South Slavic civil war for several months. Experience from purely military involvement with the guardists (whom Josip Broz personally chose to guard him, clearly not without reason) and the bloody practical experience of war are the things on which the creation of the professional soldier of the third Yugoslav Armed Forces (after the Armed Forces of the Kingdom of Yugoslavia and the JNA [Yugoslav People's Army]) will be based.

Although there is now talk of cutting in half the number of those in the Armed Forces of Yugoslavia who are "on salary," consideration is also being given to numerous new admissions. According to military experts, it is necessary to admit as many as 17,640 soldiers under a contract that will be regarded as a professional foundation. It is projected that at the same there will be a surplus of 3,500 active military personnel that do not meet conditions for retirement but who are receiving personal income. With regard to "formation needs" there is also a surplus of 12,000 civilians (this term is now being used instead of the previous "citizens in military service") who were "on budget" and another 5,000 civilians "on income." According to the Law on Service in the Armed Forces, civilians can remain on the job, with "surplus" status, for an unlimited period of time.

Providing for Those Threatened

Around 7,000 people have resettled their families, and another 3,000 individuals have arrived in the Federal Republic of Yugoslavia. It has been necessary to secure additional funding for these members of the Armed Forces of Yugoslavia, and under the law funding is earmarked from the budget for 3,000 families, while "certain permanent housing assets" can be bought for another 2,000 families.

No easier will be the issue of replenishing material reserves, which were largely depleted in combat activities by the JNA, or actually the Armed Forces of Yugoslavia, up to 19 May 1992, the date on which, according to the agreement, the involvement of that armed force in the Bosnia-Hercegovina war ceased. Food reserves have fallen by more than one-third of the necessary reserves. Because of the shortage of food on the market, a loan has been taken out from the federal commodity reserves in the form of 2,000 metric tons of canned meat and around 6,000 metric tons of flour, salt, rice, beans.... It has even been necessary to borrow 50,000 uniforms, which must also be returned. The peacetime reserves of drugs have been reduced to a level of two to 10 days, even though the normal level is around 30 days.

Under conditions where the country is under blockade, it will be particularly difficult to return 10,000 cubic meters of gasoline, 86,000 cubic meters of D2 diesel fuel, 25 metric tons of turbine oil, 20 metric tons of marine oil, and 10,000 different batteries. Providing repair capacities for various types of weaponry is an additional expense.

As far as superfluous personnel is concerned, the problem will be surmounted by "administrative pensions" for military personnel with 30 years of service (this pension is around 5 percent less than the old-age pension). For those with 35 years of service who are 55 years old, it will be possible to receive a pension that is 2.5 percent less than the old-age pension. A similar possibility is provided for civilians with 25 years of service, whereby the pension is 17.5 percent less for men and 15 percent less for women. Buying up an additional five years of service and a 24 percent salary are further options.

Return of Noncommissioned Officers

The military top brass believe that after these planned actions the preconditions will be created for the selection of professional soldiers, officers, noncommissioned officers (this designation will return instead of that of junior officer), and civilian personnel to be the cream of the Armed Forces of Yugoslavia.

Ranks, up to the level of colonel, will be attained according to a fixed time schedule and through appointment. This means that second lieutenants who have completed the five-year technical academy will have to wait two years for the rank of lieutenant, while their colleagues with four years of study will wait three years. All the way up to the rank of colonel, passing to a higher military title is still provided for after three or four years. Clearly, only for officers who have received appointments, which means that they are necessary to the armed forces. Special conditions are anticipated for generals, among other things the title of doctor.

These planned solutions are intended to prevent "jostling" for high officer ranks (major, lieutenant colonel, colonel), which in the former military system were received according to a special quota, whereby nationality was the key element. All these officers must have direct contact with the armed forces (naturally on various levels, depending on the rank), which should then guarantee that the training of recruits will be handled superbly.

[Box, p 15]

Term of Military Service

The length of military service, which should last 10 months for the new generation of soldiers, raises additional questions, while initial interpretations indicate that this shorter term of service, if it is approved by parliament, will go into effect on New Year's 1993. In that case, those who entered the Armed Forces of Yugoslavia in June 1992 and later can also expect a shorter term of military service. The Yugoslav Presidency has adopted a decision on applying these regulations to the generations that were in the middle of their service to the

armed forces as well. According to legal interpretations, this decision is now in the hands of the president of the republic, Dobrica Cosic.

Service in the armed forces without weapons for 20 months is also an option for those who so desire for religious or other reasons. They would have the same equipment, including the uniform, as soldiers, but without weapons.

[Box, p 15]

"I Am Still a Soldier"

The intention of some in the Armed Forces of Yugoslavia to reopen the door to the young, demobilized Gen. Dr. Vuk Obradovic, which is made especially topical by his private visit to the federal prime minister and minister of the Armed Forces, Milan Panic, has stirred up feelings. Immediately after demobilization, Dr. Obradovic received an offer to work at one of the military institutes, at an academy or faculty, as a professor or top researcher.

Witnesses to these talks and attempts at persuasion allege that Dr. Obradovic then stressed that he does not regard himself as a civilian and that it had not even crossed his mind to return to the Armed Forces of Yugoslavia in that way. He stressed that despite the demobilization, he was only a soldier. Because of this, the idea was launched among some people in the armed forces that "some place should be found for such a competent officer."

For now, Gen. Obradovic is avoiding more publicity on this matter, but he has nevertheless declared that he is "still a soldier."

Serbia

U.S. Official: Sanctions Directed at Government

LD1911234692 Belgrade TANJUG in English 2250 GMT 19 Nov 92

[Text] Belgrade, November 19 (TANJUG)—Under-Secretary of State for Political Affairs of the United States (U.S.) Arnold Kanter said on Thursday [19 November] that the sanctions against the Federal Republic of Yugoslavia were "designed to make the Serbian Government pay a heavy price" and "to persuade the people of Serbia to take control of their government."

TANJUG was informed by the U.S. Embassy in Belgrade about Kanter's opening statement in a world television broadcast on Thursday.

"The United States and the United Nations hold the Belgrade Government responsible for the illegal seizure of Bosnian lands, for promoting the forced exile and brutal murder of the Bosnian people (which is euphemistically called ethnic cleansing) and for bringing misery upon the Serbian people in whose name these horrors are carried out," said Kanter.

Sanctions were introduced against Yugoslavia and its Republics of Serbia and Montenegro despite the fact that United Nations (U.N.) documents said that the Yugoslav Army was not fighting in the territory of Bosnia-Hercegovina, and that actually strong forces of the Army of the Republic of Croatia were engaged there.

Reacting to claims that Serbia was sending arms and troops to Bosnia-Hercegovina Serbs, the Federal Government and Serbian President Slobodan Milosevic asked observers to come to the border between Yugoslavia and its former federal unit Bosnia-Hercegovina in order to see for themselves on the spot that such claims are incorrect.

Kanter on Thursday also warned that "the Belgrade Government will make a serious error if it doubts the resolve or overestimates the patience of the United Nations in seeing that a peaceful resolution of this conflict is achieved."

The people of Serbia should "show the world that they do not support the crimes against humanity carried out in their name," Kanter said.

"The United States regrets that the Serbian people are forced to suffer because of the destructive policies of their government," he said.

The Serbian opposition on several occasions tried to topple the Serbian Government and President Milosevic through demonstrations in Belgrade in the past few months. Students of the University of Belgrade joined their demands last summer with their own protest.

Early elections in Serbia have been scheduled for December 20 this year.

In closing, Kanter also recalled the "long history of friendship with the Serbian people, forged through a struggle against common enemies."

Milosevic Calls UN Sanctions 'Unfounded'

LD1911233592 Belgrade TANJUG in English 2255 GMT 19 Nov 92

[Text] Belgrade, Nov 19 (TANJUG)—Serbian President Slobodan Milosevic and the visiting delegation of a Polish parliamentary party, the Democratic Left Alliance, assessed on Thursday [19 November] that the U.N. Security Council sanctions against the Federal Republic of Yugoslavia were unfounded and constituted a proof of the trampling down of the basic principles of the United Nations.

A statement from the meeting noted that involved was a "threat to the peoples and states striving for equality, and a gross demonstration of the policy of dictate in international affairs."

It was emphasized during the the meeting that the "Federal Republic of Yugoslavia has been punished and the Serbian people unjustly blamed for their resistance to such a policy," the statement added.

It went on to stress that the "Republic of Serbia is firmly opposed to the attempts aimed at making it anyone's colony in the new world order." It hoped that "progressive people of goodwill, who realize these facts, will help break the information blockade which was instrumental in sacrificing the truth for the sake of the policy of dictate, imposition of will, and jeopardizing of the freedoms of states and peoples."

The delegation, headed by Tadeusz Ivinski, is in Belgrade at the invitation of the Serbian Socialist Party's group in the federal parliament. The Socialists are the ruling party in Serbia and the biggest party in the Yugoslav parliament.

Sandzak Leader Foresees War 'Any Day Now'

AU2011073992 Paris AFP in English 0456 GMT 20 Nov 92

[Text] Novi Pazar, Yugoslavia, Nov 20 (AFP)—Muslims in the ethnically-mixed Sandzak region straddling the borders of Serbia and Montenegro say it will not be long before they are caught up in the bloodshed which has devastated Bosnia-Hercegovina.

"We are waiting for war to break out any day now," said Sandzak's Muslim leader Suleiman Ugljanin, denouncing what he called the "terror tactics" of the Serbian authorities and the Federal Army against Muslims.

Muslims, who make up about half of the 400,000 people in Sandzak claim that the Serbs have already extended their "ethnic cleansing" policy to the region. They said the Federal Army was "occupying" Sandzak and that soldiers had been involved in incidents which had prompted tens of thousands of Muslims to leave.

The Army is well in evidence at the Sandzak capital of Novi Pazar where the majority of the 50,000 inhabitants are Muslims. Around the city are several barracks, while about 100 lorries and some 60 tanks and armoured vehicles are parked in the open.

On a nearby hill, two tanks are partly dug in with their guns trained on the town.

"The Army is occupying Sandzak and has deployed more than 30,000 men," according to an official of the Democratic Action Party (SDA) of which Ugljanin is leader.

Last year, the Muslims of Sandzak voted for autonomy in a referendum, which Serbia rejected as an "attempt to overturn constitutional order".

The Yugoslav Army has several times accused the SDA of trying to form a militia and claims to have seized arms from Muslim militants.

"We have no paramilitary organisations. We rely exclusively on the support of the international community to help us," Ugljanin told AFP. He denied Army reports that the SDA had 15,000 armed men at its disposal.

Ugljanin claimed Muslim homes and shops had been blown up and several people murdered in a deliberate effort to strike fear into Muslims to make them pack up and go. Last month about 20 Muslims were kidnapped by Serbian irregulars from Bosnia, he said.

"The Serbs want to rid Sandzak of its Muslims," he said, adding that an estimated 75,000 Muslims had already fled abroad, the majority to Turkey.

In the office of the SDA's security department hangs a portrait of the late Iranian leader Ayatollah Ruhollah Khomeyni with an inscription reading "The Great Victor of the Gulf War".

Although the local Muslims are Sunnis unlike mainly Shiite Iran, SDA militants acknowledge that "the people of Sandzak admire him a lot."

They have "much sympathy with the reforms of Khomeyni, and for his struggle against the Shah's totalitarianism since today they themselves are fighting against the totalitarian regime of Milosevic (Slobodan Milosevic, Serbia's hardline president)," Ugljanin said.

Ugljanin, whose own office is decorated with a verse of the Koran said he was counting on Islamic countries to "prevent a massacre of Muslims" in Sandzak.

"The international community must succeed in Sandzak where it failed in Bosnia," he said.

Ugljanin, who has called for United Nations troops to sent to the region as a precaution, welcomed the visit to Novi Pazar last week of three observers from the Conference on Security and Cooperation in Europe (CSCE), who will be based here.

Radicals Oppose Postponement of Elections

AU1911182692 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 19 Nov 92

[Text] The Serbian Radical Party [SRS] submitted all the lists of candidates for federal elections. At the news conference, party leader Vojislav Seselj said that the Serbian Radicals have registered maximum number of candidates in all electoral units on the territory of the Republic of Serbia, while the same task was being pursued for the territory of Montenegro. Dragoljub Stankic reports:

[Begin recording] [Stankic] The SRS will submit all the lists of candidates for the deputies in the People's Assembly of the Republic of Serbia in the course of the day, and by this the biggest electoral task will be completed, Vojislav Seselj said and added:

[Seselj] The SRS continues its preparations for local elections, elections into Vojvodina provincial assembly, and the communal assemblies throughout Serbia. We will try to nominate our candidates in all communes—on the territory of the Republic of Serbia and the Republic of Montenegro alike.

[Stankic] The SRS has been opposed to any possible postponement of the elections scheduled for 20 December. Vojislav Seselj said that nobody has the right to blackmail, as everybody enjoyed the same conditions in preparing electoral campaign and registering candidates.

[Seselj] The position and belief of the SRS is that only the one who is capable of wining at the elections can rule Serbia and Federal Republic of Yugoslavia.

[Stankic] The Serbian Radicals condemn further tightening of the UN sanctions against Yugoslavia and further enforcement of the traffic blockade of Serbia, Vojislav Seselj stressed.

[Seselj] The SRS is again warning the Serbian and the Yugoslav public that these sanctions are not temporary and are not aimed at achieving short-term political goals. Their purpose is neither the change of the regime in Serbia nor the victory by certain political forces in the coming elections. The aim of these sanctions is to reduce Serbia to the borders of the Belgrade pashadom [pasaluk] [prior to 1878]. The sanctions will last for as long as we do not convince the Western world and the UN with our resoluteness that they cannot hinder or break us and that we are capable of enduring anything to preserve our territories.

[Stankic] The SRS will hold several electoral rallies in central Serbia and Montenegro. The party gives priority to a social and economic program. [end recording]

Liberal Party Entering Elections Within Depos

AU1911181192 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 19 Nov 92

[Excerpts] Although dissatisfied with the conditions of the electoral campaign, especially with information and financing, the Liberal Party will enter the elections within Depos [Democratic Movement of Serbia]. Zorica Pantelic reports:

[Begin recording] The Liberal Party proposed one candidate for federal elections and five candidates for republic elections. Party leader Predrag Vuletic says that the final list is supposed to be verified by the Depos council by midnight. The Liberals will mark the 100th anniversary of their existence and work in mid-December. The basic components of their program are: natural scientific positivism—which means that the party accepts what was previously applied and gave positive results—and evolutionism, which means resolving the problems gradually and not in a revolutionary manner. [passage omitted]

The party sees Serbia as a parliamentary monarchy and gives full support to [Federal] Premier Milan Panic. Their electoral slogan is:

[Vuletic] The Liberal Party stands for peace, king, freedom, justice, and the truth.

[Pantelic] [passage omitted] The party proposed that the burden of sanctions be carried by the monopolist organizations—post office, banks, electricity generating board. They favor the formation of a professional army and constitution of responsible and (?different) authorities. [end recording]

Despite Sanctions, Belgrade Firms Show Profits

93BA0189D Belgrade POLITIKA in Serbo-Croatian 5 Nov 92 p 11

[Article by R. Geric]

[Text] In our everyday life, under the pressure of the heavy world sanctions, it is not any news to anyone that a firm has temporarily put a padlock on its door and sent the workers home for an unearned vacation. But it is news when a firm does not do that, and still greater when it performs better than ever before. Especially when it is an export-import firm.

By all appearances that is precisely the case with Progres of Belgrade. And Mirko Marjanovic, its general director, backs this up with the following figures: In the first nine months of this year, net profit amounted to $67 million, and capital formation $8 million. What is more, a profit of $100 million and capital formation of $20 million is expected by the end of the year! For the sake of comparison, over the last three years profit has been $45 million, then $61 million, and $89 million, and capital formation $6.4 million, then $4 million, and last year—$10.2 million.

We asked what the secret was.

We Replaced CEMA

"There is no secret, no magic wand, no recipe, nor are we really any smarter than the others who, I believe, are thinking much like we are," says Director Marjanovic. "It is just that we saw where East Europe and the world were going in good time and where we were going.

"Real business, however, followed from that 'insight.' At one time, for example, Progres was exporting products of metallurgy from Zenica worth all of $300 million. But this year Progres nevertheless doubled its trade in products of the steel industry from $300 million to $600 million! How?

"When we saw that East Europe was falling apart, we decided that in certain cases Progres could take over the functions which CEMA [Council for Mutual Economic Assistance] had had, and we began to link up the markets of the countries of the former CEMA members, to reexport their goods to third countries, and so on. We also became part of the business operations of Western firms. In the former USSR, we ourselves even landed large capital investment projects: For example, the Zapsib [Western Siberia], which involves turnkey construction of six factories in Novokuznetsk with a value of $500 million. We have been selling Russian goods in the West. Then with that money we have been buying equipment in the West and delivering it to the East.... And everyone is happy," says Mirko Marjanovic, emphasizing that for transactions of that kind they even have a document from the German Economic Chamber confirming that those transactions are not subject to the sanctions.

"Does this mean that there are no sanctions as far as Progres is concerned?

"Of course not," our informant said, "it is just perhaps that we feel them less. Progres has built its entire business philosophy on long-term contracts with which it is easier to live under the blockade. Nevertheless, our firm has also had great difficulties. Because of the sanctions, for example, the exporting of railroad cars from Kraljevo to France has been frozen. Good business in machinebuilding (Ivo Lola Ribar, Prva Petoljetka, the foundry in Kikinda, and so on) has also been cut short by the sanctions. Quite a bit of capital is tied up in inventories or frozen abroad."

A "Bloody" Business

Director Marjanovic therefore laments in spite of everything: "Eh, if we did not have the sanctions with which to contend, there would be no stopping us." So, they are reworking old plans and shaping new ones.

Progres, for example, last year tackled the job of importing Russian gas and in so doing seems to have "stepped on someone's corn." That certainly is no wonder when one realizes that the total value of this transaction in both directions is all of $180 million. For the top man in Progres, who replies to critics that "defending one's positions leads nowhere," this is just another excellent piece of business—excellent for everyone. After all, we are importing gas which we do not have and paying for it with goods from the gas consumers. If the consumers do not have goods, then they pay in dinars which in turn are used to buy products and export them to Russia. It is good both for the producers (large production runs) and exporters (solid prices) and importers on both sides (they get the goods they need or the gas, and they do not have to pay hard currency for all that).

Now Progres would do something similar with petroleum. So far it has not been successful. If it succeeds, that would mean another $200 million at least, for which there would again be many interested parties.

Our informant is not against competition, but he says: "This is a bloody business, and it really cannot be done by everyone. You have to find the exporter, the importer, and the goods, and at the right exchange rate, and at the right price...and put all of that together."

As we see, Progres has mainly been doing a good job of putting it together, at least up to now. Thus, last year it doubled its total turnover compared to the year before last (from $1 billion to $2 billion). Turnover will be somewhat more modest this year because of the sanctions. But not a single branch office abroad has been shut down. Nor has anyone been sent home on mandatory leave. The most important personnel are still at their jobs. Why not, when last month the average salary was $161, the pay for so-called "creators" above 300,000, and the most outstanding individual may even earn three times that much ($900,000)?

Partizan Remains Partizan

And when there is enough for employees, there is also some for others. Last year alone they donated $750,000. This year it will be slightly less, but still more than $500,000. For whom and for what? Well, for example, for renovation of Saint Andrew's in Zemun, for Atelje 212, for the Zemun Hospital, the clinical center, for monasteries and churches, for Matica Srpska and the krajina, for Montenegro, Hercegovina....

Mirko Marjanovic is obviously very happy about all that. In spite of everything, for him this will be a quite successful year, it seems. And the other "enterprise" which he heads, the Partizan soccer team in Belgrade, almost seems out of reach in the first-league standings. We asked whether that team might perhaps change its name in keeping with the new times? No, it will not, Marjanovic said, Partizan remains Partizan. According to him, that will most probably be the name given to the Stadium of the JNA [Yugoslav People's Army].

And Progres? Progres will be making changes in the spring, said the director of this firm, which at the moment is still socialized. It will become a holding corporation.

Will it be as successful in its new set of clothes as it is now?

Montenegro

Niksic Weighed Down By Refugee Problem

LD1911120892 Belgrade TANJUG in English 1104 GMT 19 Nov 92

[Article by Milan Sobic]

[Text] Niksic, November 19 (TANJUG)—One in three residents of Niksic is a refugee. A total of 18,620 homeless, who were forced to leave their homes, found shelter in this city at the north of the Yugoslav Republic of Montenegro fleeing for their lives from the war-afflicted regions of Croatia and Bosnia-Hercegovina.

Of this number, only 540 refugees received collective accommodation. All others were put up in private accommodation, or were with friends or relatives. Some of the Niksic residents took in as many as nearly 50 people.

Thus, the owner of a sawmill, Suto Milic, sheltered and fed as many as 47 refugees for two and half months. Now there are only 6. Milan Nikcevic gave his motel for use to the refugees in early May. Some fifty people stayed at the motel. Dusan Elez, doorman at the town hall took care of 17 refugees. Milinko-Turo Ivanovic, a private businessmen, also cared for 17. The list is a long one although the material situation was deteriorating, says Milorad Drekalovic, local Red Cross Organization secretary.

Due to the economic sanctions, the hosts to the refugees have themselves grown so poor that even their own existence has come under question.

Slobodan Mirjacic, Niksic vice-mayor, says that the local economy was in a tragic state; production and income in Niksic municipality were more than halved.

The situation of the 540 refugees in collective accommodation, especially those in the old and dilapidated shacks, was the worst. The U.N. High Commissioner's Office for Refugees [UNHCR] representatives as well as the Montenegrin Government have both been notified of the drastic situation.

There were examples of four families living in one room. The winter cold was looming ominously - it was necessary to obtain stoves, fuel and warm clothing.

The residents of this city in the Montenegrin mountains, hard pressed with sanctions and the tragic state of the refugees, now faced grave difficulties.

Macedonia

Popovski Says Macedonia Not Breaking Embargo

AU1811145692 Sofia KONTINENT in Bulgarian 13 Nov 92 p 7

[Interview with Ljubomir Popovski, coordinator of the Social Democratic Party of Macedonia Parliamentary Group, by Boyko Pangelov and Volodya Stratiev in Skopje on 6 November: "Macedonia, Affected by Non-Recognition, the Albanian Problem, and the Embargo, Relies on the 'Bulgarian Door'"]

[Text] [KONTINENT] Your party has the most cabinet seats. As a matter of fact it has 11 ministers and the prime minister. In this respect you are mainly responsible for the present economic and political isolation of the republic and you also have the power to adopt measures to overcome the situation. What are you planning to do in this respect?

[Popovski] Other political parties are also participating in the government, reformist forces such as the Liberal Party, the coalition of the so-called Albanian parties—namely the Party for Democratic Prosperity and the National Democratic Party. They have four ministers and the deputy prime minister. Hence, responsibility should be shared by the entire parliamentary majority. Moreover, it is not a classical coalition of parties with similar programs, but rather a coalition of several parties supporting the government. The following three features determine the situation in Macedonia today: First, we are confronted with the slow process of international recognition and the efforts to overcome the dead point in our peculiar state of isolation. This process has lasted too long—nearly three years—which is unjustifiable. Nevertheless, we hope that a solution is appearing on the horizon, namely recognition on the part of the European Community, despite Greece's attempts to prevent it.

[KONTINENT] Are you thinking of your country's name?

[Popovski] Yes, it is a well known fact that Greece does not accept the name of the republic and the problem is to find an appropriate formula. We are convinced that a change of name is unacceptable and we do not intend to bargain about this. The second problem is the so-called embargo, which has an extremely unfavorable effect upon our country's life. Greece has virtually closed its border, because of the UN embargo. Serbia is also closed to us. Trade through Albania is very difficult because of the lack of communications. We can rely only on the "Bulgarian door." We highly appreciate the fact that, in spite of similar difficulties, Bulgaria supports us and our communications with your country are free, particularly as regards oil imports. The volume of our trade with Bulgaria has also increased. Nevertheless, the economic problems are increasingly complicated. A recent wave of strikes caused additional difficulties, something to which we contributed by increasing wages in the educational, cultural, and health sectors. This evoked the reaction of workers in the enterprises, but after signing collective labor agreements, the strikes visibly subsided. Our country's international recognition is directly linked with the opportunity of obtaining credits from European and international financial institutions.

The third factor causing our difficulties is the deterioration of inter-ethnic relations, especially as regards the Albanians. We are discussing a package of bills connected with the symbols of the state, such as citizenship, passports, and so forth in parliament and we are conducting heated debates about how things should be settled. The Albanians are raising claims that the Republic of Macedonia could never fulfill. There are also other groups whose demands should be satisfied in accordance with European standards. In connection with all this there is also a lot of "political give and take," including speculation about possible new elections.

These are the three main elements responsible for the extremely complicated situation.

[KONTINENT] Nevertheless, we would like to repeat the question: Is your party not mainly responsible for the international isolation? You are suspected of violating the embargo against Serbia, or at least, that is what the European media claim....

[Popovski] Newspapers write a lot of things. I am saying one thing now, and tomorrow you may write something different.... We are not violating the embargo. The opposite is true, we are suffering because we are observing the embargo.

[KONTINENT] According to various media, there are plans to divide Macedonia between Serbia and Greece. Do you have any information on the subject?

[Popovski] I have never seen such a document. There have just been statements by some politicians on the subject. Similar aspirations may have been expressed during diplomatic talks—namely in connection with preventing communications between Serbia and Greece being interrupted, but no one has ever seen such a document.

[KONTINENT] Well, no one has ever seen the Ribbentrop-Molotov Pact, but it turned out to be real.

[Popovski] I presume it is only a question of intentions. As a republic we intend to remain a sovereign state.

[KONTINENT] The opposition party, namely the Internal Macedonian Revolutionary Organization—Democratic Party For the National Unity of Macedonia [VMRO-DPNME] claims that your party, to remain in power, has formed an alliance with the Albanians, has admitted them to the government, and is now making compromise after compromise....

[Popovski] Whoever is in power cannot disregard the Albanians. They are nearly 400,000 people and have their own political parties, in addition to 23 members of parliament (editorial note: the total number of deputies being 120). Hence, no one can ignore them or exclude them from political life, and this applies also to the VMRO-DPNME.

[KONTINENT] What are your relations with Serbia?

[Popovski] We have no relations with Serbia for the time being.

[KONTINENT] How do you assess the comprehensive development of relations with Bulgaria?

[Popovski] It is natural that our relations should develop in the fields of culture, sports, and education, and last but not least—in the economic sector. Of course, our relations should be based on equal rights and mutual advantage....

[KONTINENT] Do you have the impression that someone in Bulgaria would not like our relations to develop on an equal basis?

[Popovski] No, I mean that relations should develop on the basis of independent and sovereign states. As a matter of fact, Bulgaria was the first to recognize the Republic of Macedonia, and I cannot understand why our diplomatic relations should not be on the appropriate level, namely at the level of embassies.

[KONTINENT] Consulates are being opened....

[Popovski] Yes, but there is a German consul in Skopje, while Germany has not recognized us. On the other hand, Bulgaria has recognized us, but our diplomatic relations are still at the level of consulates. We do not see any reason to pursue this state of affairs, because it may create doubts....

[KONTINENT] Let us be frank and admit that Skopje's attitude toward Bulgaria and Bulgarians was not positive in the recent past. When we travelled to Skopje your customs officials hardly permitted us to take a dozen of Bulgarian newspapers with us. Is there still distrust of Bulgaria among politicians and common people in your country, on account of Bulgaria's intention to "swallow" Macedonia and similar rumors?

[Popovski] I think that suspicions in this respect have not been entirely overcome. Therefore, the level of diplomatic relations raises for some people the question whether intentions are "entirely pure."

[KONTINENT] How do you to settle the interethnic disputes, especially with the Albanians?

[Popovski] Through the policy of coexistence. They are people born on our territory. Our chief goal is to make them loyal citizens of our country who observe our laws. Hence, the most important thing is to achieve their integration, rather than feeding them with delusions about possible autonomy.

[KONTINENT] Have official claims of this kind been voiced?

[Popovski] Elements of such claims have emerged in the statements of certain politicians, members of parliament included, expressed as a threat that this might also happen. As a state we shall not admit federalization, but we are obliged to fully guarantee human rights in our country.

[KONTINENT] The Bulgarian press widely reported on the mysterious Skopje visit of Konstantin Mishev, the Bulgarian prime minister's adviser. What do you know about this?

[Popovski] Macedonian Prime Minister Crvenkovski, Minister of Defense Popovski, and President Gligorov said that there is no such "affair" as the Bulgarian press calls is.

[KONTINENT] The Bulgarian press reported that adviser Mishev held talks at the Ministry of Internal Affairs, that he may have discussed the transfer of weapons to Serbia....

[Popovski]) I have no such information—I do not know where he has been and what he has been doing. Our country issued official statements on the issue.

[KONTINENT] Has the question been discussed in parliament?

[Popovski] No. However, since you raised the question, I can tell you that in my opinion, the issue was grossly exaggerated in Bulgaria, perhaps as a result of political squabbles between parties, the government, and the president. In the final account—they decided to involve Macedonia.

Kosovo

Bozovic Says There Will Be No War in Kosovo

LD1811195392 Belgrade TANJUG in English 1910 GMT 18 Nov 92

[Text] Pristina, Nov 18 (TANJUG)—Serbian Premier Radoman Bozovic said on Wednesday [18 November] that there would be no war in Serbia's southern province of Kosovo-Metohija despite attempts by the Albanian minority's secessionist movement to "transfer to this territory the maelstrom which brought about the disintegration of the former Yugoslavia."

"Many have been plotting war here, but there is no war and there will be none for two reasons: First, because the state will not allow it, and secondly, because the citizens do not care about war but about peace," Bozovic told reporters in Pristina, the administrative centre of Kosovo, at the end of his two-day visit to the province.

A strong secessionist movement, whose goal is to annex this Serbian province to neighbouring Albania, has been active in Kosovo for the past two decades.

Claiming alleged human rights violations, ethnic Albanian leaders have been trying to internationalize the Kosovo question in order to achieve their secessionist goals under the auspices of the international community. At the same time, they stubbornly refuse any dialogue on outstanding issues with Serbian authorities.

Bozovic ruled out any talks with ethnic Albanian representatives on tha status of Kosovo, but strongly urged talks on outstanding problems in the province and ways [words indistinct] resolution.

Expressing regret over the fact that he could not meet ethnic Albanian leaders during his visit because they had rejected it, Bozovic said it was evident that dialogue for resolving problems was obviously not their interest. Their interest, however, is to transfer the maelstrom which brought about the disintegration of the former Yugoslavia to this territory and to obtain for themselves some other state," he said.

The Serbian premier again urged a dialogue with representatives of ethnic Albanian parties, "but not on [word indistinct] because it is absurd."

Noting that Serbian laws are acceptable to all other minorities in the republic except to ethnic Albanians, Bozovic argued that it was ridiculous that those laws would result in violence against the ethnic Albanian minority alone.

Commenting on the resettlement in Kosovo, Bozovic said that ethnic pressure existed in that province and that hundreds of thousands of Serbs and Montenegrins had left the province because of this pressure.

Their return cannot be brought about by decrees, said Bozovic and added that one of the basic human liberties was the right of each individual to choose where he would live.

Bozovic criticized the Federal Government for disregarding the federal parliament which had elected it and for behaving as if it had created the Yugoslav state.

"The tightening of U.N. sanctions against the Federal Republic of Yugoslavia is aimed at forcing the outcome of the early elections in Serbia "under the guise of democracy", because the current republican authorities are not to the liking of such foreign institutions," [words indistinct].

In conclusion, Bozovic said he hoped that Serbia's electorate would never allow somebody else to choose its government.

Bozovic Blamed for Lack of Negotiations

AU1911171692 Tirana ATA in English 0907 GMT 19 Nov 92

[Text] Tirana, November 19 (ATA)—[Passage indistinct] As against the will of the Albanian party of Kosovo, the planned talk with the Serb-Yugoslav party under the presence of the intermediators was not held in Geneva. Talks with the Albanian party during the Bozovic visit were not conducted in Kosovo, either. The Serb Prime Minister Radoman Bozovic, wanting to reduce the very serious question of Kosovo and of the Albanians to "an internal affair of the Serbs and of the national minority," did in vain demand Albanian partners for talks among Albanian political parties, institutions, and associations. He found no interlocutor this time, either. Whereas the negotiations of the Serb premier with the Serb representatives alone only resembled a monologue and, above all, they were fresh threats against the Albanians of Kosovo. Bozovic went so far as to say that it is no more necessary to negotiate on Kosovo in Geneva. Wherever he went in Kosovo, the Serb premier was escorted by the police forces, which resembled the application of a state of emergency.

The delegation of Kosovo, which travelled to Geneva, is expected to talk with the representatives of the Geneva conference on the further development of the dialogue with the Serb party under international surveillance.

General Ready To Halt 'Foreign Intervention'

LD1911195492 Belgrade TANJUG Domestic Service in Serbo-Croatian 1452 GMT 19 Nov 92

[Text] Pristina, 19 Nov (TANJUG)—There are no reasons for foreign intervention on the territory of the FRY, or consequently on the territory of the Province of Kosovo and Metohija. If there should be such intervention, however, the Pristina Corps of the Yugoslav Army is deployed, equipped, and trained to guarantee the complete security of this region. It is ready, not only to halt, but also to expel, any enemy from the area, Pristina Corps Commander Gen. Miloslav Radmanovic said in an interview with TANJUG and POLITIKA journalists Djordje Jevtic and Miroslav Lazanski.

Gen. Radmanovic stressed that the strength of the Pristina Corps is such that it can effectively oppose external aggression, even if it is combined with an internal armed uprising in the region of Kosovo and Metohija. We have forces, the commander said, that can successfully halt any attempt at an advance on our territory by the Albanian Army, even if it is assisted by certain other forces. We can also deal with internal insurgents. In any case, the Albanian Army does not present a serious danger. This danger would be more significant if the Albanian Army was assisted by the military strength of other countries. We have evaluated all these alternatives and are developing adequate defense measures, the Pristina Corps commander added.

Asked whether it is likely, as in the former secessionist republics of Slovenia and Croatia, that the barracks could be blockaded by Albanian secessionists, Gen. Radmanovic said that such a scenario cannot be repeated here for two reasons. First, important lessons have been learned from what happened in Slovenia and Croatia, and the weaknesses that made such a blockade of garrisons possible have been recognized. Second, we have our own government in the region of Kosovo and Metohija, the Pristina Corps commander said. We have here units of the Serbian Ministry of Internal Affairs, with whom we cooperate in planning for eventual armed struggle.

Gen. Radmanovic noted that the Pristina Corps, in the framework of the overall transformation of the Yugoslav Army, has also carried out its own adjustment to the new situation. It has reduced its manpower, but now has greater combat readiness than when it was part of the former Yugoslav People's Army. The number of armored units and the amount of combat equipment have been increased, and we are now much stronger, which guarantees the security and territorial integrity of this part of our country. Our unit is primarily responsible for the security of the region of Kosovo and Metohija, Gen. Radmanovic said. He said that, compared with previous tasks, we now have the additional duty of securing the border with Macedonia.

Asked how soldiers and officers will react to possible terrorist attacks, such as the one 10 days ago, when two guards in front of the Yugoslav Army club were wounded and one of the attackers killed, the commander of the Pristina Corps replied briefly: "In the public statement in connection with the attack, we warned all citizens that we will not tolerate any provocations and attacks against soldiers and officers in the future and that we will respond far more firmly than we did in this case."

Vojvodina

Subotica Described as 'Keg of Gunpowder'

LD1911211392 Zagreb HTV Television in Serbo-Croatian 1830 GMT 19 Nov 92

[Report by correspondent Ivo Kujundzic from Vojvodina]

[Text] The erection of barricades in the Serb villages around the town of Subotica was announced today. The members of the Socialist Party of Serbia [SPS] and the chetnik Serb Radical Party [SRS] also threatened to kill Subotica mayor Jozef Kasa. The reason for this incident was the attempt by the Subotica municipal assembly, dominated by Hungarians and Croats, to make corrections in the electoral units before the forthcoming municipal elections scheduled for 20 December. A coalition of Vojvodina Hungarian and Croat parties won a majority at the last local elections held in this city in June. That is why Subotica has been constantly exposed to provocations by Serb extremists during the last few months.

Due to the political wisdom of the local leadership there has been no bloodshed in Subotica so far. However, in the period prior to the forthcoming December elections the temperature in the city is rising. Subotica is beginning to look like a keg of gunpowder and it is only a matter of days before it explodes.